

# The NATIONAL UNDERWRITER

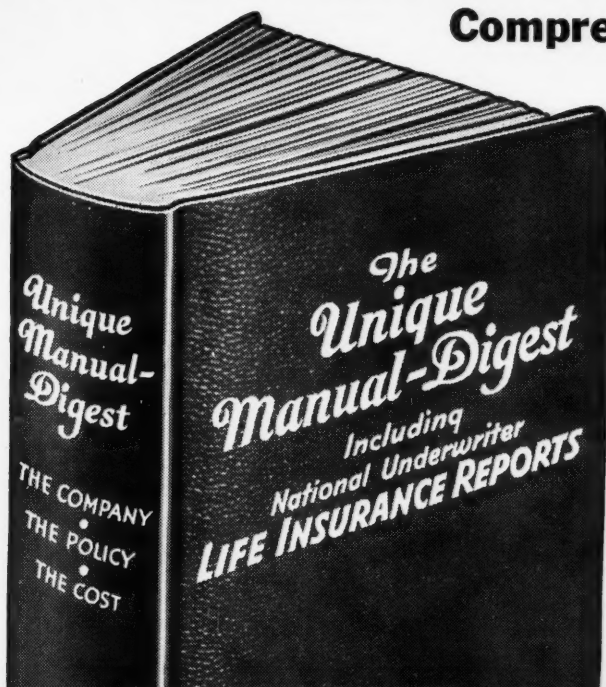
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FRIDAY, MAY 30, 1941

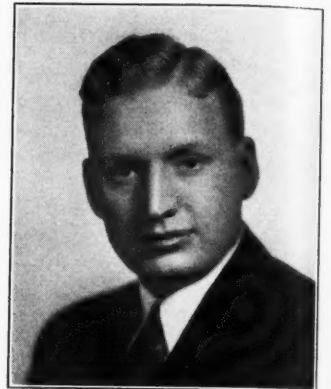
# ★ QUALIFIED MEMBERS OF THE OHIO NATIONAL 1941 QUARTER MILLION DOLLAR CLUB

Recognition of their achievement in paying for more than \$250,000 of new life insurance, during the qualification period, is accorded these thirteen members of the 1941 Quarter Million Dollar Club.

As a reward for their production efforts and high average persistency of business, club members will be guests of the Company on a stag fishing trip to northern Canada, June 24-28.

The Company is proud of their accomplishment and wishes for them continued success in the field.

## THE OHIO NATIONAL LIFE INSURANCE COMPANY



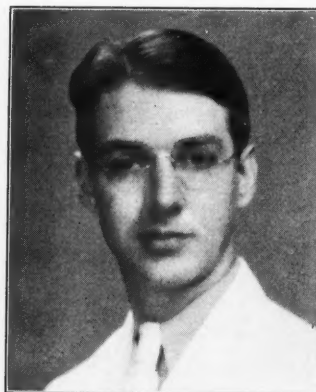
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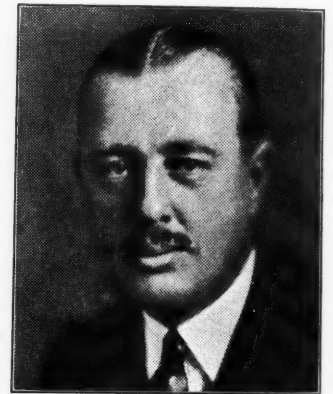
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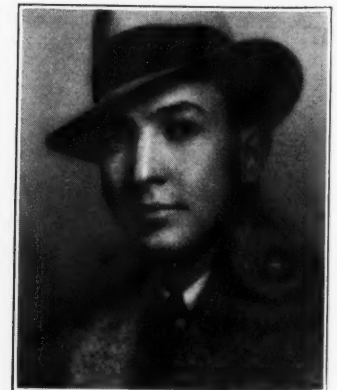
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# The NATIONAL UNDERWRITER

Forty-fifth Year—No. 22

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, FRIDAY, MAY 30, 1941

\$3.00 Year, 15 Cents a Copy

## U. S. Buying Much Farm Acreage from Life Companies

### Land Worth Millions Under Options; Result of Defense Program

Because of the defense program life companies holding foreclosed farm real estate will probably have the opportunity to sell large amounts of it to the government, not only for training camps and maneuvering fields for mechanized equipment but mainly to supply farms for farmers whose land will be taken over for actual training needs. The government already has under option or under consideration at least several million dollars worth of farm lands owned by life companies. Most of the options run either 90 days or four months and would expire around Aug. 1.

These purchases which are being contemplated are being negotiated in advance of actual purchases of training grounds. The plan seems to be to have the land ready to move the farmers on when they are forced to move from their present locations. Negotiations are being conducted without much fanfare but the magnitude of the defense program is such that these purchases may take off the market a considerable share of the property which has been taken over by the life companies.

### Prices Are Reasonable

Prices that are being quoted on these farms are reasonable and there is no disposition to take advantage of the government's position as a large scale buyer.

The reason for the government's need of so much acreage is that mechanized troops need plenty of space in which to maneuver and carry on mock warfare under conditions similar to those they would encounter in real fighting. Not only must there be room for the equipment to get around but there must be space enough so that even the longest range guns used will not fire projectiles into territory where persons might be killed or injured.

A recent Washington dispatch stated that each unit of 35,000 mechanized troops needs about 75,000 acres as a training ground. Even one such chunk of land means dispossessing a great number of farmers, for whom suitable farms are needed elsewhere. The government's plan appears to be to buy large farms, some running to several thousand acres and cut them up into smaller tracts of 80 to 120 acres. Consequently the government is not interested in the farms which are small enough to support only one farmer since if the government bought such a farm the man who was on it would be displaced. Usually about 80 acres is the smallest size farm that will support a single family, but even on a farm of this

(CONTINUED ON LAST PAGE)

## Relief Act Complications Are Cited by Attorney

WHITE SULPHUR SPRINGS—Complications in connection with the soldiers' and sailors' relief act were reviewed by S. J. Hilton, Life of Virginia attorney, before the Association of Life Insurance Counsel here. Difficulties may arise under the act's provisions which guarantee payment of premiums on policies for one year after the insured leaves military service to give him time to adjust himself to civilian life. Care must be exercised to see that premiums received during this year are not credited to the current year's premium but to the insured's insurance account. Recipient of such benefits may not pay the current year's premiums and leave the premiums which fell due during his service period unpaid.

### Upsets Premium Due Dates

Premiums are placed on an annual basis when the application has been approved by the veterans' administration which may give the companies some concern as the second year's premium will be proportionated and not paid in full. For example, an insured enters service on Jan. 1, 1941, and is discharged a year later, has his premium on a quarterly basis falling due the first of February, May, August and November with the policy dated Aug. 1. If his application is approved immediately, the premium will be figured on an annual basis, starting Feb. 1, 1941. The premium will be guaranteed to Jan. 1, 1943. In this way the due date of the premiums has either been changed or the policy lapses for non-payment of the premium due Jan. 1, 1941, which date does not correspond with the dates set out in the policy, or if the premiums are paid for the year and 11 months the company will have to insist on the payment for the 12 months before the expiration of the period for relief granted under the act. There also might be some question of notice for that particular month's premium.

### Question as to Notice.

There is also a question as to whether the present form of notice of the due date of the premiums during the year may be used after the insured leaves military service. Should regular notices on a semi-annual or quarterly basis be sent during that year in the face of the government's guarantee? Can it be stated in the notice that the policy will lapse if the premium is not paid? As it is to the advantage of all concerned that the premium be paid by the insured, Mr. Hilton expressed the belief that the veterans' administration will approve and probably encourage the use of a form of notice that calls attention to the fact that under the original terms of the policy, a premium would be due and that it is time that payments be commenced again in order that the original plan and purpose of the insurance will be carried out. Unquestionably agents will be required in a large number of instances to resell such policies, Mr. Hilton observed.

No dividends, loans or death settlements or cash surrender values should be paid without first obtaining the written permission of the administration, Mr. Hilton pointed.

Under the 1918 relief act 7,745 applications, representing \$12,526,956 insurance were received and approved. The government guaranteed \$362,399 in premiums and 102 policies matured as death claims for \$184,006. The government paid to the insurance companies \$19,518 as premiums. Mr. Hilton predicted that the applications and amount of premiums paid to the companies will be considerably greater than the experience under the 1918 act, as there is a present tendency to look to the federal government for relief.

In commenting on his own company's experience, Mr. Hilton reported that of 34 applications there have been eight rejections and 17 approvals, the rest still being open. The principal reason for rejections has been that the applications were not filed until after the policies had lapsed. The veterans administration has to notify both the insurer and the insured as to whether the application has been approved or rejected. It is advisable for the companies to notify agents and managers as soon as it receives notice. It is possible that the insured might obtain a reinstatement of his policy and then be in a position to apply again for relief.

### Amendments Pending

Two bills amending the relief act are now before Congress. A senate bill requires a policy to be in force one year on a premium paying basis prior to the insured's entrance into active service. Another condition is that the policy have a cash surrender value at the end of one year from the due date of the first annual premium guaranteed by the act and that the cash surrender value must be equal to or greater than one annual premium required by the policy.

Another proposed section specifically provides that the date of the application governs the period for which the government guarantees premiums. It also shortens the period of coverage if the person is in military service when peace is proclaimed.

Numerous soldiers and sailors relief bills have been submitted to state legislatures. New York has passed such an act and the Maryland legislature has passed two acts which are now before the governor.

### Numerous Problems

There are numerous problems facing the insurance companies as a result of the act, not only as to the protection of investments but also as to the insurance policies now in force and those to be written. In this connection, Mr. Hilton raised several questions:

"What shall we do about the certificates which we will receive, will they be included in the premium account? If so, will we have to pay taxes on them?"

"What about the rights of beneficiaries? Suppose a policy for \$6,000 is submitted. The veterans' administration will require it to be rewritten into two policies, one for \$5,000 and the other for \$1,000. The insured may say, 'I will just drop the extra \$1,000 policy.' Would we allow some value on such policies where the original policy is less than three years old?"

## Manager's Job Is Analyzed at Mid-West Session

### Recruiting, Training and Problems Created by Draft Are Viewed

INDIANAPOLIS—Recruiting, training and other managerial problems were reviewed at the annual mid-west management conference here, sponsored by the General Agents & Managers Association of Indianapolis. Unsettled conditions produced by the draft both in relation to recruiting and prospecting were viewed from all angles by various speakers.

Horace E. Storer, Bankers Life of Iowa, as general chairman presided at the opening session. Claude C. Jones, Connecticut Mutual, president Indianapolis General Agents & Managers Association, extended greetings. C. Preston Dawson, New England Mutual Life, New York City, spoke on "What's Ahead for the Manager?" He looks upon present conditions of uncertainty as a direct challenge to meet issues with courage and determination.

### Lackey Discusses Recruiting

George E. Lackey, Massachusetts Mutual Life, Detroit, spoke on "Solving the Recruiting Problem." To serve the diverse life insurance needs it is imperative to carefully select qualified recruits who have imagination, initiative and coordination.

Ralph Hoyer, John Hancock Mutual Life, Columbus, O., "pinch hit" for Carl M. Vaughan, Equitable Life of Iowa, St. Louis, who at the last moment found it impossible for him to attend. Mr. Hoyer pointed out that although 17,000,000 men may be registered in the draft, it is likely that not more than 10 percent of these will be in the service at the same time. Mr. Hoyer wants every man on his staff to be better than a "bread and butter" producer and to be able to make "plus dollars." He cut his agency force in half to eliminate those who were not definitely making good and increased production.

### Must Check Batting Averages

Mr. Hoyer selects recruits carefully and likened the process to that of the baseball scout who discovers promising players by painstaking research and study of batting averages. Not only must a life insurance recruit have knowledge but he must have the four "d's," desire, drive and dogged determination.

Kenneth W. Conrey, Penn Mutual, Grand Rapids, Mich., and James S. Drewry, Mutual Benefit Life, Cincinnati, concluded the first session. As Mr. Conrey lifted his agency from 62nd place in his company in 1938 to 12th in 1940, his remarks on recruiting agents were based on practical successful experience. Mr. Drewry has been an able recruiter and his office is well known

(CONTINUED ON PAGE 23)

## Program for A. L. C. Medical Section

### Speakers and Topics at Hot Springs Annual Session Are Listed

The preliminary program for the 31st annual meeting of the Medical Section of the American Life Convention at the Homestead, Hot Springs, Va., June 16-18, was announced this week. Previously five speakers on main topics were listed. There have been added to the program two medical directors for each subject to discuss the address of the principal speaker.

Dr. A. J. Robinson, medical director Connecticut General Life, will lead off Tuesday, June 17, with his annual address as chairman, after which Julian Price, president American Life Convention and of the Jefferson Standard Life; Colonel C. B. Robbins, manager and general counsel A.L.C., and Dr. D. B. Cragin, president Association of Life Insurance Medical Directors and medical director Aetna Life, will extend greetings.

After appointment of committees and announcements, the program for the rest of the session will be:

#### June 17

The Roll of Clinical Judgment in Underwriting, Dr. J. T. Bowman, medical director London Life, London, Ont.; discussion, Dr. J. R. Neal, medical director Alliance Life, Peoria, and Dr. J. B. Steele, medical director Volunteer State Life.

Genesis of Cancer, Dr. William Boyd, Toronto, professor of pathology and bacteriology University of Toronto; discussion, Dr. A. E. Johann, medical director Bankers Life of Iowa, and Dr. Otis B. Wight, medical director Oregon Mutual Life.

#### June 18

Joint Committee Report of Blood Pressure, Pearce Shepherd, assistant actuary Prudential, and Dr. Harry W. Dingman, vice-president and medical director Continental Assurance.

Hypertension, Dr. Harry Goldblatt, Cleveland, professor of experimental pathology and associate director Institute of Pathology, Western Reserve University; discussion, Dr. C. E. Herron, medical director Ohio State Life, and Dr. R. R. Simmons, medical director Equitable Life of Iowa.

Annual business meeting.  
Dinner-dance.

#### June 19

Everyday Underwriting Practice with Respect to Colitis, Cardiospasm and Diverticulitis, Dr. E. S. Williams, medical director Life of Virginia; discussion, Dr.

## Hobbs of Kansas Probable Next Head of Commissioners

There is considerable speculation as to who will be the next president of the National Association of Insurance Commissioners, which will hold its annual meeting the week of June 9 at the Statler hotel in Detroit. John C. Blackall of Connecticut, who is the head of the organization, has made a first-class executive and has won many friends by the way he has conducted his office. He is one of the outstanding state officials in the country. It is not likely that Mr. Blackall will be a candidate although in times past some presidents have served a second term. If Mr. Blackall would accept a second term undoubtedly he would be reelected unanimously.

Commissioner Charles F. Hobbs of Kansas is vice-president. While the commissioners have not followed any particular course in electing a president, many officials undoubtedly voted for Mr. Hobbs last year for the vice-presidency, having him in mind for the presidency this year. He is one of the older men in the service, has his feet on the ground and is highly regarded by the commissioners.

There has been some talk of John Sharp Williams of Mississippi who is chairman of the executive committee for the presidency. He is one of the active factors in the organization. Still another mentioned is Commissioner McCormack of Tennessee, who has a forceful personality and has been making his views known on various subjects in recent days. With a little more aging Commissioner Gontrom of Maryland undoubtedly would have a show. Even though he has had a limited experience he is regarded as one of the topnotch commissioners of the country.

Alberta Stutsman, in charge of direct advertising and sales promotion in the George E. Lackey agency of Massachusetts Mutual, Detroit, has been elected vice-president of the Women's Advertising Club of Detroit.

J. P. Donelan, medical director Guarantee Mutual Life, and Dr. George McLean, medical director Sun Life of Baltimore.

Demonstrating the Practical Value of Electro-cardiograms in Selection, Dr. C. C. Birchard, chief medical officer, Sun Life of Canada; discussion, Dr. David F. R. Steuart, assistant medical director, Mutual Benefit Life, and Dr. I. K. Gardner, associate medical director Reliance Life.

## Map Entertainment for Commissioners

### W. J. Cameron Banquet Speaker—Golf, Races Baseball Events

A full program of entertainment for the state officials and camp followers has been arranged in Detroit for the annual convention for the National Association of Insurance Commissioners June 9-11.



JAMES VICTOR BARRY

The big evening will be Tuesday, June 10. The entertainment committee has arranged a reception and cocktail party for 6 p. m. Then will be held the formal banquet at which James Victor Barry, who was insurance commissioner of Michigan years ago and then served for many years as a vice-president of Metropolitan Life, will be toastmaster. The speakers will be Commissioner Berry of Michigan and Blackall of Connecticut, who is president of the commissioners' association, and William J. Cameron of the Ford Motor Company.

#### Eugene Berry Handicap

For those who arrive Sunday, June 8, there will be a reception at four o'clock and then the group will be guests at the Ford Sunday Evening Hour.

On Monday afternoon there will be golf for the athletes and horse racing for the less energetic. At the State Fair

## Strong Bill for Missouri Agents

ST. LOUIS—The program for the annual meeting and sales congress of the Missouri Association of Life Underwriters here June 12-13 has been completed.

The general agents and managers section June 12 will be opened by Paul C. French, New York Life, Kansas City, president of the Missouri life agents group, with Frank Vesser, Reliance Life, as chairman.

Charles J. Zimmerman, Connecticut Mutual, Chicago, will discuss "Trends in Agent Compensation," and Ralph W. Hoyer, John Hancock, Columbus, "Motivation of Agents." W. H. VanSickler, State Mutual, head of the St. Louis General Agents & Managers Association, will preside at the luncheon, when Chester O. Fischer, vice-president Massachusetts Mutual, speaks.

A panel discussion on "Monday Morning Meetings" will open the afternoon session, with Adam Rosenthal chairman and Rex Jeffery, W. L. Magoon, W. S. Payne, Mr. VanSickler, and F. M. See participating. Following a talk by A. M. Best of Alfred M. Best Co., the state life group will hold its annual business session and election.

U. S. Senator Joseph C. O'Mahoney will speak at a meeting Thursday evening. Gale F. Johnston, Metropolitan, national trustee and national field director of the defense savings staff for the government, will preside.

Wellborn Estes, Aetna Life, president of the St. Louis Life Underwriters Association, will open the Friday sales congress, with P. B. Turner, Home Life of New York, Kansas City, chairman.

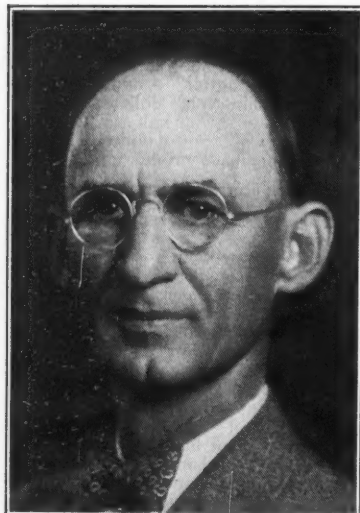
On the congress program are H. A. Hedges, Equitable of Iowa, Kansas City, national trustee, "Enthusiasm Turns the Trick"; Mrs. Lorraine L. Blair, national director Women's Finance Forum; Mr. Fischer; Harry T. Wright, Equitable Society, Chicago. National association president, "Life Insurance—A Great Democracy," and Walter N. Hiller, Penn Mutual Life, Chicago, "Information Please."

A boat ride on the Mississippi, sponsored by the St. Louis association, will close the meeting.

Grounds track one of the races has been designated as the Eugene P. Berry handicap in honor of the Michigan host commissioner. That evening Mr. Berry will be host at a dinner to officers and members of the executive committee

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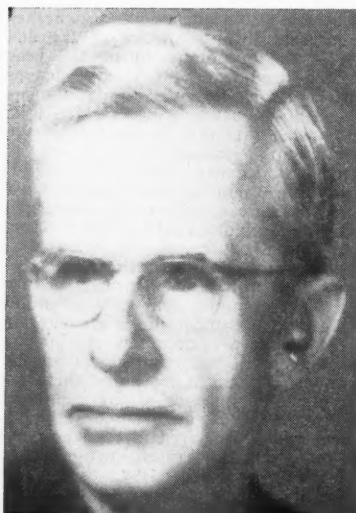
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RAYMOND DANIEL, Atlanta  
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P. M. ESTES, Nashville  
Chairman Legal Section



## Many Legal Points Clarified at Life Counsel Meeting

### Valuable Papers Presented at Spring Session at White Sulphur Springs

WHITE SULPHUR SPRINGS—Many legal issues of major importance to life companies were clarified in the addresses given at the spring meeting here of the Association of Life Insurance Counsel. There were about 75 members and many ladies in attendance.

Wesley E. Monk, general counsel Massachusetts Mutual Life, association president, was in charge of the sessions, with Harry Cole Bates, Metropolitan Life, as secretary.

The paper on "Legal Aspects of Insurance Protection for Life Insurance Companies" by Francis O. Affeld, III, Penn Mutual Life, splendidly covered various types of insurance protection carried by life companies themselves, such as fire insurance on home office buildings, properties covered by mortgages, automobile insurance, workmen's compensation, etc.

#### Penalty Laws Reviewed

Willis Smith of Occidental Life of North Carolina gave an excellent paper on penalty laws affecting insurance companies for failure to settle immediately. Sidney Hilton of the Life of Virginia reviewed the soldiers and sailors relief act.

A memorial resolution for James H. McIntosh, former general counsel of New York Life and last survivor of the association's founders, who died the past year, was adopted.

New members admitted include Haughton Beil and John G. Kelly, Mutual Life of New York; Arthur Browning, J. D. Ewing and L. D. Fitzgerald, Equitable Society; Byron Clayton, Metropolitan; Clarence Peterson, Ohio State Life; Donald Cruse, Prudential, and Stanley Wallbank of Denver, who serves Bankers National Life of Jersey as associate counsel.

President Claris Adams, Ohio State Life; Clifton Maloney, Philadelphia Life, and Laurence F. Lee, Occidental Life, N. C., and Peninsular Life, were voted honorary memberships.

### VIEW SERVICE ACT

At the special round table discussion on the selective training and service and the soldiers and sailors relief acts, a paper by Capt. F. V. Keesling, Jr., raised many interesting points. In private life, Mr. Keesling is counsel of the West Coast Life and partner in Keesling, Wayland & Elliott, San Francisco law firm. Captain Keesling's father, Francis V. Keesling, Sr., is president of West Coast Life. Captain Keesling was commissioned in the officers reserve corps in 1935 and was assigned to selective service planning. For five years he did extensive research in the subject of selective service and shortly before the bill was introduced he was called to active duty in Washington to follow the selective service legislation in Congress. He acted as an adviser to members of the respective committees on military affairs. With the enactment of the act, he has stayed in Washington as assistant operations executive. He was recently appointed legislative officer of the selective service system in charge of legislation and liaison with members of Congress and congressional committees.

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## Pacific Actuaries Debate Issues

### Club Takes Up Agents Compensation, Reserve Basis, Investments

The Actuarial Club of the Pacific held its spring meeting at Del Monte, Cal., for two days. There was a general discussion. The consensus was that low yields on investments will continue and more companies shortly will announce adoption of the 3 percent reserve basis.

Agents compensation was debated, with a symposium of systems in effect and others contemplated by companies. Discussion leaders reviewed present systems and the thought was expressed that in some of the new contracts the majority of agents were not "covered," particularly for retirement because of the requirements contained in practically all of the contracts with the exception of the Equitable Society's plan where the terms are more liberal. It was suggested companies contemplating such plans discuss the matter with agency men before formally adopting them in order to be reasonably sure of the reaction before announcing the program.

#### Time to Sell Real Estate

Investments were taken up, with stress on FHA and other types of real estate mortgage loans. Some gave reasons for not making such loans, while others submitted figures to indicate success in this field. It was also brought out now is a good time to sell real estate because of a rising market—a situation that also goes toward bettering the security.

Many apparently did not understand the "model bills" on non-forfeiture benefits and valuation standards proposed by

## Companies Now Again on Verge of War Clause Move

NEW YORK—Activated anew by the rapid deterioration of relations between this country and Germany and the veto of the proposed war clauses in New York by Governor Lehman, the long-discussed subject of war risk exclusion clauses for life policies seems about to result in adoption of such clauses by a number of the companies. It is one of the featured items for discussion at the spring meeting next week of the Home Office Life Underwriters Association in Toronto. An interchange of ideas among underwriters may well lead to decision to act. No company likes to be the only one to make the move but if there appears to be no general sentiment for immediate action it would not be surprising if several of the major companies decided to go ahead anyway.

There is no thought of making a war clause broad enough to exclude civilian war deaths that might occur in this country. The main question, aside from adopting a war clause at all, is whether to stick to the limited form permitted in New York or to use that form only in New York and use the preferred type elsewhere. In New York the code permits exclusion only of deaths resulting from military or naval service in time of war. In most other states death while a member of the armed forces may be excluded. The later type eliminates argument as to whether death was actually caused by military service.

the National Association of Insurance Commissioners. It was brought out these bills should receive more study

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## Record Attendance for Industrial Insurers' Meeting

### More Than 200 on Hand for Annual Gathering of Conference in Richmond

By GEORGE E. WOHLGEMUTH

RICHMOND, VA.—More than 200 executives from more than 50 industrial companies are attending the annual meeting of the Industrial Insurers Conference here, the largest attendance on record. President H. T. Dobbs, Industrial Life & Health, is presiding.

The opening session was devoted to talks by Mr. Dobbs, Raymond Daniel, executive secretary and Commissioner Bowles of Virginia, and committee reports.

The golf tournament and trip to Williamsburg were scheduled for Wednesday afternoon, with a get-together dinner honoring the past presidents Wednesday evening and the annual banquet Thursday night.

#### In Line for Presidency

The chairman of the executive committee is usually advanced to the presidency of the Industrial Insurers Conference. F. F. Leith, vice-president of Peoples Life of Washington, D. C., holds that position. A. B. Langley, president of Carolina Life, is vice-president. H. C. E. Johnson, executive vice-president Interstate Life & Accident, is secretary, and Raymond Daniel of Atlanta, executive secretary. The hold-over members of the executive committee are C. P. Kendall, vice-president Washington National; E. W. Craig, executive vice-president National Life & Accident; W. N. Culp, chairman Southern Life & Health, and E. L. Phillips, vice-president and treasurer Gulf Life. J. M. Drake, president Empire Life & Accident, is the retiring member of the executive committee.

#### President Dobbs' Report

Company executives were urged to study the TNEC investigation by President H. T. Dobbs in his annual report, and correct heretofore unrecognized weaknesses in the business which have been revealed.

While the present situation is satisfactory and improvement has been shown, unless recommendations are taken seriously and put into effect, there is a danger of future congressional investigations. "There is also the danger that such investigations will not be of larger companies, but of smaller ones. Larger companies with very much smaller lapse ratios and very much smaller expense ratios would not be subject to the criticism that the smaller companies would be if an investigation should come before continued improvement has been brought about."

#### In Better Position

Industrial insurance is in a better position to face unjust criticism today than it was even as late as eight years ago, he pointed out. The companies, weathering one of the most serious and prolonged depressions, are more economically sound and secure. Company management is more capable and efficient and agents are of a higher standard than in the earlier formative stages that attend necessarily any new business.

"Through cooperation and continued fair-dealing with policyholders and ourselves, we must calmly meet every issue. We also should realize that at all times

(CONTINUED ON PAGE 13)

## A Long Memory

Here is a story told to one of our underwriters when, in 1941, a stranger gave an unsolicited application for some life insurance:—

"Back in 1912 I was a salesman traveling in Tennessee, and waiting in a feed store during a rainstorm I chatted with the typist. At five o'clock she said she would have to leave to catch a train to go home, because her mother was alone since the father's death. She remarked that her father had left no insurance—after carrying it for five years he had dropped it just before his last illness.

"I asked her the name of the insurance company, and it was yours. I had just bought a policy, and the agent had pointed out its value, including extended insurance. So I suggested she bring in her father's policy the next day, as it might still have value. She did so, I contacted the company, found the insurance was still in force under the extension. The claim was promptly paid. Your company was not only ready and willing to pay but was pleased at having the matter called to their attention so that claim payment could be made. One of the greatest satisfactions in my life was seeing the happiness in that little family when the check arrived.

"I have always thought of your company as one in which I wanted to own some life insurance."

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### THE PENN MUTUAL LIFE INSURANCE CO.

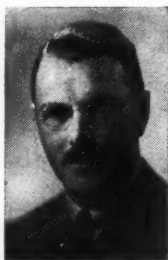
WILLIAM H. KINGSLEY  
Chairman of the Board

JOHN A. STEVENSON  
President

INDEPENDENCE SQUARE, PHILADELPHIA

## Reduced Life Sales, Less Agents, Trend in Canada

TORONTO—Life insurance will be harder to sell in Canada this year because of higher war taxation schedules and borrowing requirements reducing the net spendable income of the people, and due to war enlistments and the competition of war industries there probably will be far fewer life agents to do the job, speakers commented at the annual meeting here of the Canadian Life Insurance Officers' Association, its Life Insurance Advertisers Section, and the Life Agency Officers Section.



G. W. Bourke

Among those expressing their views were F. H. Haviland, agency vice-president Connecticut General Life; J. M. Holcombe, manager Sales Research Bureau; Superintendent H. D. McNairn of Ontario, who noted a drop in life agents' licenses in that province from 11,000 at the peak to 7,000 in 1940; J. T. Bryden, assistant treasurer North American Life Assurance, A. Gordon Nairn, field supervisor Life Underwriters Association of Canada.

### Bourke Sun Life Chief Actuary

George W. Bourke, the new president of the Life Officers, is chief actuary of Sun Life of Canada, with which he has been associated for many years.

He was born in Westport, Ont., completed his education at McGill University, winning a B. A. and the Anne Molson gold medal for mathematics and physics. In 1916 he joined the 10th siege battery and saw distinguished service overseas, receiving the military medal in France, where he was severely wounded. He became a regular member of the Sun Life actuarial department to which previously he was attached during university vacations. He was placed in charge of the mathematical department in 1924, advanced to assistant actuary in 1929 and named chief actuary three years later.

Mr. Bourke is a fellow of the Institute of Actuaries of Great Britain and of the Actuarial Society of America; twice has been a member of the society's council and is a fellow of the American Institute of Actuaries. He was elected second vice-president of the Canadian Life Officers in 1939 and was first vice-president in 1940.

### Haviland Speaks for Weeding

Mr. Haviland, who is chairman of the executive committee of the Association of Life Agency Officers, addressed the life agency officers section. The life insurance business in the United States could get along with but 40,000 agents instead of some 60,000 now known to be in the field, he said. In 1934 there were 80,000 agents, but this figure has decreased about 25 percent.

The No. 1 problem of life companies in the United States is elimination of the unfit agent, he said. Some life companies believe increase in production is the measuring rod of progress. The real challenge is not how to increase business, but how, with only 75 percent of their present staffs to improve the usefulness of the life agent to the public. Once that is accepted the weak man is eliminated and the problem is solved.

Mr. Haviland urged life companies to adopt a long range viewpoint in agency matters. One of the important problems in relation to the unfit agent, especially in America, is a long range program of building up the sales organization rather than to take from other companies successful life agents who have been developed.

Superintendent McNairn said despite the reduction in number of life agents in Ontario current figures would indicate the life business is unable properly to support the number of agents now licensed and a substantial reduction is required if those continuing in the business are to make a proper living.

### McNairn Tells Ontario Results

As of the license term ended March 31, 1941, Mr. McNairn said, only 4,994 applications for license were renewed compared with 7,767 licenses issued in the last 18 months. This means that 35.7 percent of those engaged in that period failed to make a living as life agents and have been forced to leave the business.

His department arrived at interesting conclusions after analyzing license figures for the last few years. These he summarized as:

1. A great number of applications have been recommended who should not have been made. Proper investigation has not been carried out by company officers signing applications.

2. The high turnover cannot be justified entirely on grounds of inaptitude for the business; it appears to be in large measure due to the lack of or carelessness in selection, and possibly to a slight extent to the badly overcrowded field. It indicates a lack of stability and competency in the agency forces.

### Feels Selection Has Been Poor

3. Selection from a production standpoint has been poor. A small minority of agents has produced most of the business. Some 50 percent of agents now licensed did not produce sufficient volume to justify their continuance in the business. An examination into the production of life agents indicates that the life business in Ontario can offer employment on a proper basis only to about 3,500 full and part-time agents.

3. A further and interesting conclusion may be drawn from the experience in the industrial business. In this branch it has been shown careful selection and training and reasonable assurance of a steady income bring permanency and competency to an agency staff. It would appear, therefore, that a life agent must be assured of some stability of income to be able to remain successfully in the business.

Manager Holcombe stressed that agency affairs primarily should be considered and studied from the investment angle from which either a good or bad dividend is to be received. He discussed the question of new recruits to the business, saying companies must find the answer to the all-important question why new agents fail in their second and third years in the business to write the same volume of business they wrote in their first year.

### Holcombe Gives His Views

Mr. Holcombe suggested instead of adopting recruiting programs the companies would benefit more greatly and profitably if they were to take the time to improve the agents under contract.

The Sales Research Bureau is working on the problem of why agents do not improve with the length of time they put into the business. The answer is not yet available. He said Canadian figures show that of 1,000 agents newly employed, but 135 will have remained at the end of five years.

Canadians must sacrifice leisure and be prepared to consume less goods and national resources, according to S. E. Nixon, chief research division, Dominion of Canada war savings committee. He spoke before the Life Insurance Advertisers Section. Sacrifice is an "essential condition to a maximum war effort and to a minimum of disturbance upon the return of peacetime environment," he said.

Educating the people to this vital need

can be a most valuable function of life advertisers. A general understanding of the need would enable Canada to distribute the burden of war financing without resort to inflation. Because of the immense war needs, 20 percent less goods and services are available for Canadian civilians this year than in 1939 or 1940. Up to now civilian consumption has not decreased, but instead there is convincing evidence to the contrary. The situation may be relieved to some extent by using up stocks of reserves, but this cannot continue indefinitely.

### Must Reduce Consumption

Any further growth in Canada's war effort must come at the expense of the living standards, he said. "Every person must be made to realize that almost everything he buys requires the use of resources which may be convertible to war use, providing civilian consumption is curtailed. If the public does not voluntarily decrease consumption, part of Canada's war effort may be seriously affected."

"Saving serves as an important buffer against inflation, and is one means of enabling the fast development of Canada's war effort through a voluntary release of productive resources from civilian to government use. A continuous and forceful campaign to instruct the public in the relationship of consumption and abstinence through saving to the realization of our full economic war potential, and to the adverse implications of inflationary methods of war finance, are matters of paramount importance."

J. T. Bryden stated the importance of the effort of those in the life business in Canada in prosecuting the war is increasing almost daily. He spoke on "Life Insurance and War Finance from the Companies' Point of View." The life men have a tremendous stake in sound war finance in assisting in the task of curtailing consumption, aiding maintenance of stable price levels and avoiding inflation.

New insurance will be more difficult to afford and existing insurance more difficult to carry, he said.

### Tells Effects on Life Insurance

"The effect on the life insurance business is in terms of reduced volume, smaller average policies, smaller first year premiums, lapses and surrenders. This development is a challenge to us all—to our salesmanship and to our faith in the life insurance business."

The largest part of increase in national income is being diverted toward industrial workers. War production is putting plant capacity to full use. The income of these workers is greater than for many years, providing a field for intensive development in sale of life insurance. There is still a surplus, and from the national point of view it is essential as much as possible of the increased incomes be deliquified through purchase of war loans or life insurance. This is the source from which the greatest demand will come for civilian goods of all kinds and which carries the greatest threat of increasing prices. Any instrument that will demobilize a portion of these increased incomes is assisting in implementing government policy. Life insurance can help to do this.

### Conservation Is Paramount

Maintenance of existing insurance is important from the point of insurability and curtailing consumption. Cash surrender values taken now mean the money is diverted to current consumption or to alternative investment media and that future premiums which represent savings that would have been made may enter consumption channels. Every cash surrender value taken means a proportionately smaller amount available to the government in war loan subscriptions from the life companies. Efforts at conservation should be redoubled.

Estate maintenance should be stressed. More life insurance, rather than less should be recommended.

The Canadian life companies have invested in excess of \$450,000,000 in Do-

## U. S. Stamp Tax Applies to Registered Policy Deposit

The federal .04 percent documentary stamp tax is applicable to securities deposited with the Illinois insurance director to cover so-called "registered" policies, it was established when the U. S. Supreme Court this week declined to review a case appealed by Franklin Life. Under the old Illinois law, Illinois companies had the right to issue "registered" policies under which collateral would be deposited with the insurance director. That plan was discontinued when the new insurance code was passed, but insurers that had issued "registered" policies were required to keep the deposits reserves in force.

### Claims Title Didn't Pass

Franklin Life contended that the securities that were deposited remained assets of Franklin Life, that the insured collected interest and dividends from them and that the insurance director had no power to dispose of them. Hence, it argued the transfer of securities was not of the type that the federal stamp tax sought to reach. However, the court of claims held the tax is applicable.

Demand was made on Franklin Life in October, 1939, to pay a stamp tax of \$2,177 on \$5,443,000 of bonds deposited from January, 1936 to August, 1939, and a tax of \$564 on bonds withdrawn during that period.

Under the old law a company that elected to issue registered policies was required to continue to do so until at least \$20,000,000 of such "registered" contracts were in force. Franklin Life and two or three other Illinois companies engaged in the practice.

## Expect Report by Fall on Agents' Pension Plans

The committee on agents' compensation of the Sales Research Bureau is now engaged in a survey of agents' pension principles and plans. A well attended meeting of the committee, at which both Harry T. Wright, president National Association of Life Underwriters, and C. J. Zimmerman, past president, were present, was recently held in New York.

### Outline Broad Principles

The subject of agents' pensions has many ramifications, but the committee has every expectation of releasing a report prior to the fall meeting of the bureau at Toronto. Many details of a pension plan for agents can be solved only by the individual company, but broad principles will be outlined by the committee. It can be said in advance that the committee favors pensions for field men. If commission agents should not be brought under the old-age and survivors insurance provisions of the social security act, the details of pension plans would have to be appropriately modified.

The discussion of the committee's report made in the fall of 1940 on the subject of commission scales for established agents has brought out many helpful thoughts, and the committee is gratified that so much progress has been made in stimulating the thinking of life insurance men in this important field.

minion and provincial bonds. Their total subscription to the first two war loans was about \$67,000,000 and to the third war loan this June likely will be over \$75,000,000. The life companies have made available to the government over 6,000 trained salesmen across Canada to assist in this work.

Mr. Bryden said while there is competition between life companies and the government for the savings dollar, there can be no basic inconsistency. Both represent savings and curtailment of consumption, thus attack the fundamental problem of war finance. They freeze current income, defer consumption and build spending power reserve for the readjustment period.



May 30, 1941

# The National Underwriter Company

## offers The Essentials of Life Underwriting

### as a Training Course for Agents

#### An Open Letter to General Agents

Life insurance is bought, not sold. The big producers are those who know why men buy. Ordinary premiums paid are \$2,700,000,000 a year, of which \$2,400,000,000 are renewals. Could salesmen's talk alone build up such continuous payments out of the hard economies of millions of families?

Life insurance answers a human need. It protects what men will fight for and die for and SAVE for. Can you teach all your men what the multitudinous human needs are that are served by life insurance, or stir their minds to perceive them when they encounter them? In building an agency your most urgent problem is to get men into production. You must get them to FEEL what life insurance means to the buyer, to FEEL that they can sell it, that they know what to offer when they meet a life insurance situation.

Our new course in agency training,

#### "The Essentials of Life Underwriting,"

was made for you. It is designed to give agents the information about life insurance that they need to know in order to get into production. Courage is the first thing to put into an agent. Fear is the great devitalizer—fear that he will not know what to say, that he may spoil the case and had better go some other time. Give him confidence that life insurance is good, that it is good enough to buy, and that he can sell it, and he will make the calls.

Can YOU give him that courage and confidence? Can you, unassisted, teach him all that he needs to know? What are your other duties? You need the aid of a prepared course.

#### Cure Weaknesses First

You know your men, if you are doing any kind of a job. You know that one lacks thorough faith in life insurance, another fears he cannot answer questions on what it will do, another lacks prospects. You can use this course to cure weaknesses first, then round out the training. It is a living course, to be adapted by you to strengthen your men.

Twelve years ago we brought out another training course under the same name, but it was too long. It ran to three large volumes, took too long and cost too much. But after it had been discontinued we had the following letter from S. T. Whatley, vice-president of the Aetna Life:

"Some years ago you brought out the best training course I ever read, called 'The Essentials of Life Underwriting.' If you can possibly dig up a set for me I would appreciate it. My son will soon graduate from college and I want him to read it."

We were able to supply the set.

#### Problem of Condensing

More than five years ago we resolved to produce a course that would be short enough to be practical and long enough to be adequate. What to leave out was a problem. The job of rewriting to

save not only the essentials, but the life and spirit, was laborious. It has just been completed and the new course giving "The Essentials of Life Underwriting" is now ready for you. That the rewriting was not unsuccessful is indicated by the report of an agency supervisor, asked to report on the suitability of the new course for adoption by his company. He said:

"In most cases the contents are not so startlingly new but the interesting and motivating manner in which the author has put the contents together is *really a revelation*. I believe they will hold the attention of the field man better than most publications and cause him to really digest them and go back to them from time to time for assistance."

#### Course Is Not Automatic

Every new agent who is worth adding to the agency should have this course to help him get started and help him make a good living. It is not automatic. It requires the cooperation and guidance of the general agent, but it is worth far more than its cost to the general agent who has the job of making a new man earn his own way. It is not sure fire. The agent must be adapted to life insurance selling, but if the selection is good, this course will help the general agent make him a success.

"Refresher" course? Why resort to euphemism? Many poor producers aren't the men they used to be because they never were. But if they "have something," if they are on the borderline, if they have never had the benefit of systematic education in life insurance, if they are willing to exert themselves, this course will help to turn them into consistent producers.

#### Agency Funds Are Scarce

Education has become a necessity in agency building. Agency funds are scarce. The low interest rates react throughout the company for economy. Recruiting is harder. The general agent must make the most of the men he takes on, or the men he has.

The situation, as to cost, is not going to get any better. The old days of come-and-go-and-save-the-good-ones will not come back soon. If the depression had lasted a short time its effect would have disappeared with the revival of business. The companies, however, for many years have had to buy low-interest bearing investments. It will be many years before excess interest earnings again become a prominent factor. **For a long time everybody in life insurance will have to do the best he can with what he can afford.**

#### Building for the Long Pull

Education of agents therefore is building for the long pull. Education means anything from a half-day's lecture and a pat on the back to a C. L. U. course, with extended reading on the side. The new course, "The Essentials of Life Underwriting," endeavors to give adequately what a competent agent requires, with the minimum burden in getting started.

Soundness of choice and economy of words are

merely routine virtues in a training course. "Education" means to "lead out" the mind of the student and make it work for itself. A training course should have inspiration as well as information. That is where "The Essentials of Life Underwriting" stands out. Note the words of the supervisor,

"The interesting and motivating manner in which the author has put the contents together is really a revelation."

#### Taken from Successful Practice

This course is not offered you "out of thin air." It is a product of the Diamond Life Bulletins, which is built into the selling structure of life insurance. For 22 years the "D. L. B." has been analyzing sales methods that work. It has published no theories. Every plan, every sales appeal has been taken from the actual practice of some agent or some office that was using it successfully. The editors over these two decades have had the cooperation of companies, general agents and successful producers in selecting the best methods of selling. It is from that experience that the new "Essentials of Life Underwriting" was written. The richness of that experience is what made the condensation into a relatively short course such a long editorial labor.

#### Qualifications of Authors

Only two men have the precise experience and qualifications that went into the writing of the new training course. Abner Thorp, Jr., and A. R. Jaqua, editors of the Diamond Life Bulletins and the "Agent's D. L. B.," have no other duties but to study what makes sales efforts effective in life insurance and to report for the benefit of subscribers of those two services. They are not desk students. They visit agencies and companies and study methods where they are being used, by the men who are making them successful.

**To general agents we offer this training course for what we believe it will do in helping them to put their men on a successful basis. The cost is low and it will soon pay for itself. Order at least one course for trial.**

#### The National Underwriter Company

THE DIAMOND LIFE BULLETINS  
420 East Fourth Street, Cincinnati, Ohio

Gentlemen:

Please send me one copy of your new course, "The Essentials of Life Underwriting," in your standard three-ring binder. I may keep this course ten days for examination. At the end of that time either I shall return the course in good condition or you may bill me for \$6.

Name ..... Title .....

Company .....

Street Address .....

City and State .....

## Must Sell Training Plan, North Says

### Canadian Life Officers Hear Details of Metropolitan Life Program

TORONTO—Because of the outstanding reputation which Metropolitan Life's field training division has attained in its 10 years of existence, members of the Canadian Life Officers Association were keenly interested in what Cecil J. North, third vice-president in charge of the division, had to say in his talk on "Management Accepts the Challenge." Pointing out that better trained agents is the way to meet the public's demand for better life insurance advice and service, Mr. North described in considerable detail the working of the division and its constant process of evolution to keep pace with changing external conditions.

Of particular interest was Mr. North's stress on the fact that before good methods can be taught they must be accepted. Metropolitan endeavors to obtain greater acceptance for the products of the field training division in three ways.

#### Must Sell Its Training

First, it follows the principle that those who are selected to give training must themselves be trained and equipped to sell the need for such training. Careful planning and salesmanship must be used in winning the cooperation of the agent. Services offered are presented to the field much as they would be if they were offered by an outside organization. Instructors are frequently reminded that success in training is contingent upon the voluntary acceptance of the training program by the field and it cannot be imposed.

The training division also endeavors to obtain acceptance of its principles by paying heed to the old saying that "where there is smoke there is probably fire."

"When a plan is not accepted we endeavor to determine what is wrong with the plan or with us and what we should do to improve it or ourselves," Mr. North said. As better methods are developed they are tested in the field before being recommended for general use.

#### Field Instruction Vital

The division has always recognized the importance of going into the field with agents and assistant managers, training them on the job in the procedures desired, through demonstration, observation and correction under field conditions.

While there is this emphasis on training, Mr. North made it clear that the division does not consider that its own function is the training of the agent. Its job is rather to provide for managers and assistant managers the techniques and skills which will enable them to supervise, train and motivate the agents working under their supervision. The ultimate objective is that all managers, and with their help, all assistant managers, will become well-schooled instructors and trainers, equipped not only to give competent supervision but to analyze regularly the needs of agents—both new and experienced—and give such instruction, training, supervision and motivation as will assure at all times complete and competent service to the policyholders by a group of field men who are happy in, and take pride in their profession.

#### Supplementary Courses Given

To promote the ability to analyze, train, supervise and motivate according to the individual agent's real needs the instruction in the field has been supplemented by courses for assistant managers and managers given in special classes conducted in all territories by instructors from the field training division.

## Dr. Chase, Pink, Huebner Banquet Main Speakers

NEW YORK—Superintendent Pink of New York and Dr. Harry Woodburn Chase, chancellor of New York University, will be the principal speakers at the national testimonial dinner next Thursday evening here in honor of Dr. S. S. Huebner, dean of American life insurance educators.

In addition, the banquet program will include Dr. John A. Stevenson, presi-



DR. HARRY W. CHASE

dent of Penn Mutual Life; Paul F. Clark, vice-president of John Hancock Mutual, and Julian S. Myrick, Mutual Life, New York, chairman of the American College. Toastmaster will be J. Fred Speer, president of the New York chapter American Society of Chartered Life Underwriters.

A parchment scroll will be presented to Dr. Huebner, signed by everyone attending, as a permanent testimonial.

The banquet will be the closing event of a full day for life insurance agents and officials gathered from all parts of the country for a seminar on "Economic Trends."

The committee in charge of the seminar, with William J. Dunsmore as chairman, reports that reservations for the seminar are coming in from many points, promising a capacity audience. The field and home office personnel of one company alone have already made reservations in excess of 100.

#### Ohio National \$250,000 Men

Thirteen field men of the Ohio National Life qualified for the 1941 Quarter Million Dollar Club and will be guests on a stag fishing trip June 24-28 at Mike Ament's Lodge, Sioux Lookout, Ont. This is the third Quarter Million Dollar Club sponsored by the company. The factors for determining qualification were based on a paid volume of not less than \$250,000 of new life insurance during the club year and a persistency ratio not less than the company's average for the year.

H. C. Fuller, Jr., special agent Northwestern Mutual Life, Milwaukee, has been elected president of the Milwaukee Central Lions Club.

These are really advanced schools in which attention is focused not only on the principles of life insurance service to the public but also on the problems of management. However, Mr. North pointed out that these courses are supplementary, the basic training of assistant managers in the application of training procedures and the imparting of knowledge and skills to the agency force being given not in the classroom but in the field under actual field conditions.

## Chicago Life-Trust Council Elects

### Cameron New President, Four Leaders Note Better Cooperation

R. D. Cameron, trust officer Continental Illinois National Bank, was elected president of the Chicago Life Insurance & Trust Council at the annual meeting and fellowship dinner. He succeeds H. K. Nickell, Connecticut General. Other new officers are: Vice-president, Malcolm P. Vail; secretary, Gerard S. Brown, Penn Mutual, and treasurer, Harve H. Page, Northern Trust Company, the latter two reelected. Paul W. Cook, general agent Mutual Benefit; J. H. Hamel, First National Bank, and Paul Pullen, Chicago Title & Trust Company, are holdover directors and new directors elected were R. T. Thomas, City National Bank; J. B. Tudhope, Massachusetts Mutual, and E. B. Thurman, general agent New England Mutual.

W. N. Hiller, Penn Mutual, led off in a brief discussion period presided over by Mr. Cook as referee. He showed a large pack of 40 policies written in 12 companies, representing only \$70,000 of life insurance and all on one life, saying that this was "a horrible example" of how not to buy life insurance and that he would not want the job of arranging that man's policies in a unified program.

Life insurance proceeds should be trusted, either with a corporation trustee or through the life policy options, Mr. Hiller said. The corporate trustee offers the advantage of great flexibility which cannot be secured in all instances through the options. He thought life companies would encounter many difficulties when the more complicated settlement option agreements go into effect and that the same result could have been attained much better through use of corporate trustees and life insurance trusts.

Harry J. Zimmerman, Chicago Title & Trust Company, gave a brief review of growth of the life insurance-trust idea. He said at first insurance trusts were not so carefully set up and as a result there was a swing among life agents to use of the settlement options and annuities. However, the use of responsible trust companies' services has grown tremendously in the last 20 years.

There is now a greater appreciation among life men of what the trust companies offer in flexibility of administering funds, and among trust company men of what the life insurance business has to offer them. Most trust companies now are actively going after this business, he said, and are encouraging the use of life insurance placed in trust. Growth of the annuity idea nationally appears to offer greater difficulties for the life man and trust companies to get together although, he said, trust companies do not frown on annuities. He noted that the public is pension conscious.

Harry T. Wright, Equitable Society, president National Association of Life Underwriters, spoke briefly, saying he expects there will be considerably more life insurance-trust business in the next 10 years. The insurance companies are not any too happy about keeping and administering the large funds under the settlement options and special agreements.

#### Conducting Kirk Cup Contest

The Equitable Life of Iowa is conducting the annual Kirk Memorial Cup essay contest which is open to all representatives of the company. The Kirk cup was presented as a memorial to Cyrus Kirk, fifth president of the company, by members of his family.

G. G. Lamar, superintendent of agencies of the southern division of Reliance Life, has been visiting Texas agencies.

## May License Agents of Fraternal

### McNair Proposes Plan at Canadian Group's Rally; Lewis President

TORONTO—Definite action this year in licensing fraternal societies' agents in Ontario, and even possibly in Quebec, with the plan ultimately spreading to all provinces in the Dominion, is expected as a result of a motion passed at the annual convention here of the Canadian Fraternal Association.

The suggestion to license the fraternal representatives was made by Superintendent McNair of Ontario, who cited the New York law as the pattern for the law which he proposed for Canada. He would license only agents on commission or salary and commission, who are not members of head office staffs. Such a step, he said, would rid the fraternal of undesirables who are a liability and not an asset.

#### Proposed for All Canada

Mr. McNair later in an interview said he hoped before long such a licensing plan would be uniform across Canada. He desires to keep the fraternal's ranks clean of undesirable elements, especially those who keep funds they collect in the names of their societies. There have been many such instances reported to the department, he said. Due to the failure of the societies to prosecute, these agents have escaped punishment.

R. Leighton Foster, counsel Canadian Life Insurance Officers Association, who also is legal counsel of the Canadian Fraternal Association, criticized the Alberta government for entering the life insurance business. He said any savings which the Alberta government may make with respect to executive expense is likely to be more than offset by the smaller average policy and the necessity of reinsuring the excess over a very low retention.

#### Sees No Saving in Cost

"Altogether, if the spirit and letter of the law are observed and adequate premium rates fixed, there is every reason to believe that the cost of life insurance with the Alberta Government Insurance Office will not be less than that offered by the established companies and societies," he said. "Under these circumstances one inevitably wonders who has been advising the government of Alberta on life insurance matters and how it is serving its citizens by engaging in the life insurance business."

The Alberta government seems to have abandoned any thought it may have had of offering life insurance at cut rates by means of some sort of government subsidy, he said. It has employed an actuary. The Alberta life insurance bill provides "no contract shall be issued that shall not appear to be self-supporting upon reasonable assumptions as to interest, mortality and expenses."

#### New Officers Elected

Dr. B. F. Black, medical director of Maccabees, Detroit, retired as president, and the new president elected was Robert Lewis, Toronto. Other new officers are: Vice-president, Dr. Hector Cyphot, Quebec, president L'Alliance Nationale, a new member of the staff. Replacing Dr. Cyphot as representative on the executive committee is Dr. Laframbeau, also of Quebec, while Clair Jarvis, London, was reelected secretary-treasurer, and Leighton Foster, counsellor.

A. O. Benz, president National Fraternal Congress and Aid Association for Lutherans, cautioned that the societies when adopting the licensing system, instead of having agents licensed because they can produce a certain amount of business or number of members in a year, select appointees careful for quality

(CONTINUED ON PAGE 22)



## Terms in Two Labor Laws Explained

### Attorney Holds Wage-Hour Act Does Not Apply to Insurance

RICHMOND, VA.—Although Congress may have the right to legislate concerning employees of insurance companies, F. S. Normann, Normann & Rouchell, New Orleans attorneys, declared he did not believe it has done so in the fair labor standards or wage-hour act in a talk before the Industrial Insurers Conference here. "The coverage provisions of that law are definitely restricted and I do not believe the employees of insurance companies can be said to be engaged in commerce and in the production of goods for commerce as those terms are commonly understood. In my estimation, insurance employees are not subject to the statute."

The zeal and pressure exerted by federal administrative departments has been increasingly evident and such as to tempt one to submit to regulation where none is provided for by law, Mr. Normann said. Employers have been frightened into compliance with a statute where the administrator, in a court, could not have enforced compliance. Mr. Normann pointed to the difference in the terms of the national labor relations act which says "affecting commerce" compared with fair labor standards act which specifies "engaged in commerce or in the production of goods for commerce."

#### Cites John Hancock Case

Since the national labor relations act extends power to the board to prevent certain unfair labor practices affecting commerce, it is not difficult to understand how the board might attempt to take jurisdiction over insurance employees. This is the reasoning in the board's decision in the case against the John Hancock Mutual Life. The case, however, did not decide that insurance and manufacturing were commerce.

It has been held that if and when the case presents itself, the supreme court will declare that the insurance business per se constitutes commerce. Proponents of this view point to the now unsound reasoning in Paul vs. Virginia and their arguments are not without merit, Mr. Normann said. Nevertheless, he continued, insurance counsel have been engaged most seriously since the decision of Paul vs. Virginia and up to quite recently in endeavoring to prove that very point, namely that interstate insurance business does constitute commerce, in order to avoid state regulation and taxation. No case on this point could have been presented more forcibly than New York Life vs. Deer Lodge County. However, the U. S. Supreme Court did not declare insurance to be commerce and it did not do so because congressional power to regulate commerce is exclusive and once the court pins the badge of commerce upon insurance it places it beyond state regulation, control and taxation. "Despite the present policy and so-called 'trend' of the court, I cannot believe that such a result presently will be reached. Certainly, it will not so long as the court can, with full justification, find an activity not to be commerce itself and yet uphold legislation upon it when it 'affects commerce', for thus it preserves at the same time both state authority and federal legislation," Mr. Normann pointed out.

#### Not Wage-Hour Jurisdiction

Even if the exercise of jurisdiction by the labor relations board over the John Hancock Mutual Life was proper because of the "affects commerce" phraseology of that statute, this would not admit jurisdiction to the wage and hour division unless and until it is decided that "production of goods for com-

## Retaliation on New Texas Premium Tax

Insurance companies domiciled in Texas and operating in other states are facing a general increase in premium taxation, due to retaliation for the latest tax increases in Texas. Practically every state has some form of retaliatory law, providing that companies domiciled in states imposing higher taxes, fees and other obligations on companies of the state passing the law automatically pay the same scale. Thus, for practical purposes, it may be assumed that these premiums of Texas companies in all states will be taxed at the new basic Texas rates, 4.65 percent on life companies and 4.05 percent on other carriers. Texas rates are again the highest in the country, the last upward revision passing the new Oklahoma rate of 4 percent.

Most retaliatory laws are automatic, so there is nothing to be done but bill the Texas companies at the higher rates when taxes are due. In over half the states, the rate is 2 percent, and a number of other states have a 2.5 percent level, so the penalty on Texas companies will be severe. The raise itself will not be this sharp, as Texas companies had previously been assessed on the old Texas level, which was 3.75 percent on life premiums and 3.25 percent on most other premiums.

Texas law provides reductions in the tax rate, depending upon the percentage of the company's investments in Texas securities. In this connection, Employers Casualty of Dallas recently lost a court decision in Kansas. When the retaliatory law of that state was applied on the basis of the old Texas basic scale, Employers Casualty contested the tax, citing the provisions of the Texas law for scaling down taxes and declaring that, since it was possible for a Kansas company to reduce its Texas tax rate, it should be taxed at the lowest Texas bracket. This contention was overruled. This case apparently paves the way for universal taxation of Texas companies at the 4.05 percent and 4.65 percent rates.

merce" is as broad as the phrase "affecting commerce."

Although the wage and hour division of the department of labor believes that employees of insurance companies are subject to the fair labor standard act, on the assumption that whatever "affects commerce" must be an occupation necessary for the "production of goods for commerce," the intention of Congress does not appear to have been to regulate the wages and hours of labor of all employees whose work might in the slightest degree affect commerce. If Congress has so intended, it has not expressed that intention and neither administrative officials nor courts can supply it. The findings of Congress and its aims as set forth in the second section of the law itself and in the legislative history of the act do not indicate the law was intended to apply to any occupation which was not in actual production or transportation, or immediately necessary to the enterprise engaged in production or transportation.

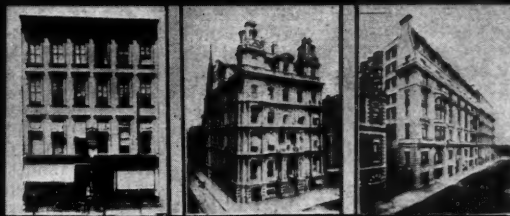
Mr. Normann said that he does not believe that the jurisdiction of the national labor relations board over the John Hancock Mutual Life could have been maintained if the national labor relations act had provided for jurisdiction only in cases where unfair labor practices existed in enterprises engaged merely "in the production of goods for commerce."

#### Cravens, Dargan Life Manager

HOUSTON, TEX.—George J. Hartman, with Occidental Life since 1929, has joined Cravens, Dargan & Co. here as manager of the life department.

Mr. Hartman has served Occidental at Los Angeles, in several capacities, including special work with various branch offices.

## A Picture of Progress



During the past 95 years as The Connecticut Mutual has grown, it has six times enlarged its Home Office to handle the protection of an increasing number of policyowners.



When this building was erected in 1926, 215,000 policies for \$674,000,000 were on the company's books. Today there are 345,000 policies for \$1,099,000,000.



Symbolic of the progress during the past 15 years is the recently completed addition of 70,000 square feet of floor space made necessary to handle this 62% increase in protection.

**Connecticut  
Mutual**  
Life Insurance Co.

**95 years of  
Dependable Performance**

## Authorities Give Answers on Tax, Pension Trust Queries

Answers valuable to all life underwriters on current problems involving federal estate taxes and pension and bonus profit trusts are presented below, somewhat digested, as they were given by a staff of experts in the sales clinic conducted by the Chicago Association of Life Underwriters. This is a continuation of the article appearing in the May 23 issue, which presented only the answers given by Nathaniel H. Seefurth, tax authority.

### How to Meet Tax Objection

**Question**, submitted by P. J. Ryan, Fuller agency Prudential: How do you answer the objection, "I'm going to save every spare dollar to meet increased government taxes?"

**Answer**, by John O. Todd, H. S. Vail & Sons, Chicago: This objection may be met in one of several situations. First, it may come from the man with only his personal earning power, who still has a surplus and is using the objection merely as an excuse to keep from buying life insurance. Second, we may have the case where there is an actual increase in tax over the earned income which will bring the man's margin of spendable income down to zero. Third, the man may have considerable property of general nature, but may be spending much of his net income after taxes are deducted.

The first man, he said, could be interested in a plan that would not penalize him for conserving what he can after he earns it. This can be done by means of life insurance. He cited a man whose income tax this year was about \$3,000 but next year will be about \$7,000. Mr. Todd recommended a substantial portion of his principal be converted into fully paid up life insurance. In this case \$40,000 was so applied. He was paying \$2,500 premiums on \$100,000 life insurance. He was in the 40 percent income tax bracket, thus needed \$4,000 to pay the income premium. By putting his \$40,000 of securities, yielding about \$1,300, into paying up the old life insurance, he would lose the net income on the \$40,000, which at a 40 percent bracket would be only \$780, but would gain by being relieved from premium payments. He would show an increase in net spendable income while attaining a much greater security through guaranteed cash values of the life policy.

### Incurring Obligation Helps

In the third situation where there is considerable property and substantial income, but no reserves for further accumulations, Mr. Todd said the only thing the life underwriter can do is to provide a man with deductions from his taxable income, such as by buying a home, if he rents, taking on indebtedness. The interest which he pays on this indebtedness is a deductible item, and the income thus released can be used to pay life insurance premiums.

**Question**, submitted by F. E. Gould, Fowler agency New England Mutual Life: C—Son; B—Father; A—Grandfather: If life insurance is purchased by "A" on the life of "B" and made payable to "C" with "C" controlling all rights thereunder, does anybody pay any tax on the proceeds of the policy if it becomes a claim, first by death of "B," or second by endowment, or third by surrender? Explain.

**Answer**, by Mr. Todd: No. This situation offers one of the best fields for the sale of life insurance today, especially to older men. A grandfather can do something for his son or grandson which they cannot do for themselves. The grandfather pays the premium on the life insurance as an annual gift to his grandson. If the grandfather should die, the grandson must be able to pay the premiums or else his grandfather must have made provision in his will for this purpose.

**Question**, submitted by M. L. Cohen, Heifetz agency, Mutual Life of New York: If stockholders in a close corporation draw up a stock purchase agreement funded by life insurance whereby the life insurance proceeds are used to buy the decedent's stock, is the stock at death considered part of the decedent's estate and subject to taxes and administrative expenses? In other words, do stock purchase agreements avoid taxes and administration expenses on decedent's death?

**Answer**, by Harry G. Zimmerman, Chicago Title & Trust Company: A general statement cannot be made that in stock purchase contracts the stock is taxable and the administration expenses on decedent's stock are avoided.

Assuming two stockholders in a close corporation and a stock purchase trust under which the surviving stockholder acquires stock of deceased stockholder, and each has the right to amend by naming the beneficiary who will receive proceeds from the sale of the stock on his death, and retains the income for his lifetime and power to vote the stock, I would say the stock is subject to federal estate and Illinois inheritance taxes but administration expenses on the stock are avoided.

### Executor Liable for Tax

The executors or administrators of an estate are primarily liable to the federal government for the estate taxes but the executors may be able to recover from the beneficiaries, depending upon the agreement.

The insurance proceeds, being payable to the trust and not to the estate, are not subject to Illinois inheritance taxes.

He said due to change in federal regulation it might be argued the survivor stockholder paid the insurance premiums on the life of the deceased stockholder, and therefore the deceased cannot be considered either directly or indirectly to have paid the premiums on insurance on his own life.

### Another Business Cover Query

**Question**, submitted by R. D. Hinkle, Reno agency Equitable Society: "B" Corporation of Chicago, wholesale jobbers, contract to buy the annual output of the "A" Manufacturing Company located in Michigan. Neither corporation nor their officers own stock in the other corporation. The up-to-date styling of the line is handled by Mr. "C," an employee of "A" Manufacturing Company. Can "B" Corporation insure in their favor the life of Mr. "C" and deduct the premium as a business expense? Are the proceeds of the insurance payable upon the death of Mr. "C" taxable to "B" Corporation?

**Answer**, by H. Kennedy Nickell, Connecticut General Life, Chicago: Can "B" insure the life of "C"? Yes, if it can be shown there is an insurable interest. They cannot deduct the premium because the regulations provide life insurance premiums are not deductible when the proceeds are payable to the corporation, but if "C" dies the proceeds are not taxable to the "B" Corporation.

### Past Service Not a Bar

**Question**, submitted by L. J. Fohr, general agent Connecticut Mutual Life: Do you think it is possible or probable that a minority stockholder could successfully invalidate an established pension trust involving past service benefits on the grounds that past service has been delivered and paid for in full and that further payment on account of past service would amount to spoilation or waste of corporate property?

**Answer**, by Mr. Nickell: Society is maintaining more and more that the worker's rights do not end with the receipt of his paycheck. This is also true of the recent labor laws and decisions.

I do not think a minority stockholder could upset a well calculated pension trust plan, actuarially sound and with a broad participation, particularly when it has the approval of the corporation's board of directors and the government. The court will not even intervene between a board of directors and their stockholders unless there is palpable fraud. The revenue department rules and regulations recognize past service and even specify a definite formula for deductions covering "pension liability." An abnormal pension liability for one or two officers, even passed upon by a board of directors, could be frowned upon by both courts and the revenue department.

### More Pension Trust Points

**Question**, submitted by C. E. Harris, Lustgarten agency Equitable Society: In a profit sharing plan—non-contributory—trust so drawn that:

- (1) A trust beneficiary cannot nominate the death beneficiary.
- (2) A trust beneficiary has no incident of ownership.
- (3) At retirement a trust beneficiary receives from the trustee of the trust annuity contracts previously endorsed that they are non-assignable, non-commutable, nontransferable.
- (4) No retirement age is set forth in the trust.

**Questions:** (a) At the death of a trust beneficiary prior to retirement, is the value of the retirement annuity contract scheduled in his estate for federal estate tax?

(b) Same—if he dies after retirement, and, therefore, subsequent to starting income, under the retirement annuity contracts?

**Answer**, by Louis Behr, Equitable Society, Chicago: If we should attempt to sell a plan on such a representation, we would be putting ourselves "out on a limb." If we would solicit bonus profit and pension trusts primarily on the argument of taxes that would be saved, this would be the wrong basis. To my knowledge, no federal estate tax has been levied on the proceeds of a policy on the life of a participant or trust beneficiary, but I think we should assume that it might be subject to federal estate tax.

### Behr Gives His Conclusions

The answer is definitely "yes" on the second part of this first question. Some may argue the trustee holds the contract and directs the insurance company to pay directly to the insured. There might be a tax advantage but I still think it is subject to tax. There are enough good reasons to sell bonus profit or pension trusts without emphasizing the tax reasons.

**Question**, submitted by C. P. Spahn, Equitable Life of Iowa: In a bonus or profit-sharing plan contributed by employees, is it practical to provide that the prorated share of contributions by the employer for an individual be retained in the trust, in event of the employee leaving the employ until the employee reaches a retirement age or to his estate in case of his prior death or could the employee's share be held for a certain number of years? The object being to induce the employee to remain in the employer's services. This does not refer to the employee's contribution, but only to his share of the employer's contribution.

**Answer**, by Mr. Behr: I do not see where it would be a leverage to the employer. Certainly there would be no advantage to the employee if he should go to another company that has as good a pension plan. He would receive his pension in the first company at 65 if he stayed with that company, so that there is no postponement.

**Question**, submitted by R. J. Herberts, Northwestern Mutual Life: Is it wise to include owners in a pension plan even though they are included in the salary bracket of the formula?

**Answer**, by Mr. Behr: If the owners receive a very small share of contribution to the pension trust and if that share when added to other compensation is reasonable in the eyes of the

## E. W. Gale to National Life

MONTPELIER, VT.—The appointment of E. W. Gale as assistant director of agencies for National Life is announced. For the present Mr. Gale will continue his residence in Springfield, Mass., where he has been located in the agency department of Massachusetts Mutual. He will cooperate with agencies in New England and upper New York state in promoting the development of business.

Mr. Gale has been well trained in this field. He was born in Chicago in 1903 and after a childhood in Kentucky returned for a high school education in Chicago and 2½ years of pre-medical at Northwestern University at Evanston. He was then sales manager for a mortgage loan firm in Chicago and later for three years was agent for Connecticut Mutual Life in Chicago. For seven years succeeding this he was assistant to the general agent in the Chicago Fowler agency of New England Mutual Life. His work for the past two years has been in the agency department of Massachusetts Mutual cooperating with agencies in the west.

## Big Tax Refunds Are Made on Basis of Decision in Oregon Mutual Life Case

NEW YORK—Metropolitan Life was granted a federal income tax refund of \$1,454,620 covering the years 1930-34 and New York Life was granted a refund of \$1,210,842 for the years 1933-34. While these payments were said by Treasury officials to be the largest in history they were small in comparison with the scale of income taxes being paid by companies in those years.

The refunds represented overpayments made because of the internal revenue bureau's attitude that disability reserves did not constitute "reserves required by law" and hence were not entitled to the 3½ percent credit allowed reserves required by law. The Oregon Mutual Life case, however, reversed the bureau's stand. A number of petitions for tax refunds were immediately put in and presumably these will result in refunds being granted.

## Insurance Interests Join in Dinner Honoring Harrington

BOSTON—A huge throng is expected at the dinner to be given by insurance interests June 3 to honor Commissioner Harrington.

President G. W. Cox, of John Hancock, will represent the life companies and Geo. P. Smith, the Boston Life Underwriters Association. Commissioner Blackall, of Connecticut, will speak.

## Tarr Tells Canadian War Effort

BUFFALO—Canada will spend the American equivalent of \$4,000,000,000 on its war effort this year, stated E. J. Tarr, president of Monarch Life of Winnipeg, in addressing the New York State Bankers Association convention.

Mr. Tarr declared that it was "only compelling necessity" which induced Canada to take steps "Some of which may have been interpreted as unfriendly," to conserve its supply of American dollars and convert them wherever possible to purposes of war.

J. H. Smith, Aetna Life group supervisor, spoke before the Wausau, Wis., Kiwanis Club.

government, I see no reason why they should not be included.

In any event, the facts of the case would determine whether or not the owner should be included in the plan. Certainly, in all instances the plan should be paternalistic.



## Shows How Lack of Selection, Training New Men Breeds Minus Signs Hamrick Points Out

K. W. Conrey, general agent at Grand Rapids, Mich., for Penn Mutual Life, in his appearance at the Midwest Management Conference in Indianapolis, emphasized the importance of continuous recruiting and adding new life blood to an agency organization. He was a member of the recruiting panel. He gave a review of the new organization record of his agency for the years 1938-40, and plans for new organization this year.

Most managers appreciate the importance of continuous recruiting but many are lax in their efforts. In his office,



K. W. CONREY

Mr. Conrey said, there are but three major sources of prospective agents—personal friends and contacts, centers of influence and recommendations of his own agents.

In 1938 the Conrey agency showed a decrease of 20.5 percent in new business. Without the \$326,942 of business secured from 1938 new appointees the minus signs would have been dreadful, he said. In 1939, the agency showed an increase of 20.9 percent and that increase was largely reflected by the \$485,716 of business secured from 1939 new organization. In 1940 the agency business showed a bare increase. Had it not been for the \$252,486 of business coming from the 1940 new organization, the agency would have shown a decrease.

In 1940 the volume secured from men that entered the business in 1938, 1939 and 1940 was \$819,410 or 26.3 percent of the total. In three year period a total of \$2,006,786 was secured from new organization which represents 22.8 percent of the total business.

Of the 28 men contracted in the past three years, Mr. Conrey believes that he has nine permanent life insurance men. It is still necessary to recruit three men to show one permanent man. The objectives this year are \$400,000 paid life volume from new appointees; an increase of 10 percent of full time contracts by the end of the year. At present there are 25 full time active contracts in force. To meet those objectives he must recruit 10 new men, on the theory that this would produce a gain of six or seven men from 1941 new organization and would mean a net increase of three full time men assuming a loss of four men from present organization.

### Issues "Victory Plan" Policy

A new life insurance plan that will enable investors in war savings certificates to obtain life insurance protection at a very low cost, and utilize the proceeds of their certificates as they mature

RICHMOND, VA.—Selection and training of men are closely related, W. J. Hamrick, agency supervisor Gulf Life, pointed out here before the Industrial Insurers' Conference, as "the more trained the fewer men you will need to select; the more selections you are forced to make, the less time you will have for training." Proper selection and training will solve every field problem that exists today and it will bring in more business and better business. It will result in less turnover of man power, lower cost to policyholders and more earnings for field men. Selection of men must be a constant process to take care of natural replacements. In selecting men, nothing succeeds like success, and the manager who is not ashamed to show his present payroll has less trouble hiring good men. Proper training will give the payroll a better appearance.

### Prospects in Defense Lines

Many of the best men are secured by finding those individuals who are economically and vocationally disturbed. Many firms are being forced to curtail production of certain products due to the national emergency and salesmen in these lines will be willing to consider the life insurance business as a future vocation. The adoption of better training plans helps to secure better agents, Mr. Hamrick declared, and justifies their entering the life insurance business. It is necessary not only to train new men, but to retrain old agents in modern sales methods to meet changing conditions.

Many managers spend too much time developing business and not half enough time developing men. Too many agents spend too much time studying the rate books in the presence of prospects and not half enough time studying it in the office. The public is learning that it doesn't cost any more to deal with a man who knows what it's all about.

The secret of success, Mr. Hamrick said, does not lie entirely in knowledge of the business and hard work. It takes word pictures to sell. Agents are using a canned sales talk whether they realize it or not. They are saying the same things over and over again and oftentimes making presentations that are not very convincing.

Salesmen are using far too many technical terms, Mr. Hamrick declared. "While our prospects are yearning to protect the future of their children, our agents are talking about non-forfeiture values, dividends and rates."

The social security act, he said, is probably the most far reaching development ever recorded in the history of life insurance and it is necessary for the agent to understand the benefits so afforded and to arrange life insurance programs accordingly.

to pay premiums, has just been introduced by Mutual Life of Canada.

The policy, known as the "Victory Plan," has been designed to meet a special war-time need, and it is believed that it will solve a problem which many Canadians are facing—how to aid their country to the limit of their ability by war savings investments, and at the same time maintain adequate life insurance protection for their families and themselves.

### Honor Skoglund in Birth Month

Agents of North American Life & Casualty of Minneapolis during June are devoting their production to President H. P. Skoglund because that is his birth month. He becomes 38 years of age this month. He has been president since he was 31. The winner will receive a scroll.



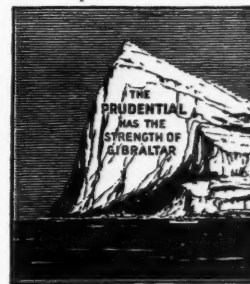
## Uphill All the Way

The future faced by a widow with small children is discouraging, at best.

Even with enough money to defray expenses, the road is difficult without the advice, companionship and affection of her husband.

It is unthinkable that any mother of small children should be expected to provide for them as well as to rear them properly.

It is the insurance agent's job to persuade fathers to insure their lives for enough.



**The Prudential**  
Insurance Company of America

Home Office, NEWARK, N. J.

## Fourth General Agent Springs from Waddell Unit

PITTSBURGH—The magic which a production executive uses in developing the talents of men under his direction is a natural and not a manufactured force, according to Robert N. Waddell, general agent for Connecticut Mutual in Pittsburgh. The elements of success are present in the successful man and need only to be brought out, Mr. Waddell believes.

The advancement of V. S. Mollenauer from the Waddell agency to the post of general agent in Philadelphia has focussed attention on the methods of training used in the Pittsburgh agency because he is the fourth general agent to rise from this agency in the last four years. The others are Nelson R. Korb, who was made general agent for Connecticut Mutual in Harrisburg in March, 1938; G. C. Coulson, made general agent for the company in Springfield in De-



ROBERT N. WADDELL

cember, 1940, and Harold S. Brownlee, who was graduated from the agency in October, 1937, and is now general agent for Equitable of Iowa in Pittsburgh.

### Realm of Psychology

Mr. Waddell believes that the answer to successful training is found in the realm of psychology. His study of the intangible factors that motivate men in outstripping others in their field began when he was coaching football at Bucknell, his alma mater, and Carnegie Institute of Technology.

Appearance is important in making an impression but it gives no clue to the abilities of the man. The executive cannot tell a good salesman or a potential executive by his physical characteristics. A too common mistake is to attach too much significance to the outward semblance of an inward condition. This is an easy way but a dangerous one, leading inevitably to one of two fatal errors—misplaced confidence, or rejecting something that is valuable.

### Patience and Industry

The general agent has to study, probe and test before he can judge a man finally, and there is no substitute for patience and industry in cultivating the ability of men under his direction. There are certain qualities which a man must possess if he is to attain success, and there is only one of these that can be instilled. The others must be present, however dormant.

Taking for example the man who would be a general agent, he must have ambition. He must have made up his mind to attain a certain object, and be willing to pay the price in work and self discipline.

He must have courage. That is the great common denominator which defines

failure, overcomes obstacles, builds a career that will withstand the test of time and adversity.

He must sympathize with and learn to help the other fellow. Teamwork is essential to victorious effort in every group of men, and personal vainglory and selfishness must be held intelligently in check.

He must have a personality that infuses others with his own enthusiasm and devotion to his organization.

### Salesman, Not Theorist

He must be a salesman himself—not a theorist but a practical workman who knows and can solve sales problems.

Last, but probably most important, he must be loyal. Vital as the other qualifications are, they fall short of necessary effectiveness unless a man is heart and soul committed to the best interests of his organization. He must identify his possibilities for success with the organization, and be resolved to rise or fall with it.

Of all these "keys to success" the only one that a general agent can hand to his men is the desire and ability to work with and for others, in Mr. Waddell's opinion. A general agent cannot make a great salesman or an executive out of a man who lacks all the necessary equipment, but he can teach him to use the equipment he has.

Having discovered a mine of talent in a given individual, the general agent must choose the best method of bringing it out. He develops a man by letting him develop himself; that is, by giving him responsibility. His superior's confidence in him will give him confidence in himself and make him a valuable asset.

One thing that is particularly apparent in Mr. Waddell's methods of training is his personal contact with his men. He is a human personality to them just as he is to his family and his intimate friends. He has not tried to set up an impersonal system that functions automatically, but has assumed his full share of participation in the work of his organization.

Even when addressing his associates as a group he personalizes his remarks as much as he does when they come to him individually with specific problems.

A successful method of training is based upon constant effort on a well defined plan, and the ability to appreciate and utilize human values.

## Chicago Association Slate of Officers Announced

Nominations for the annual mail ballot of officers to be announced at the annual meeting June 17 were announced by the Chicago Association of Life Underwriters. W. N. Hiller, Penn Mutual, heads the slate as president. Others nominated are: First vice-president, James H. Brennan, Fidelity Mutual; second vice-president, Louis Behr, Equitable Society; treasurer, John D. Moynahan, Metropolitan. The latter is chairman of the general agents and managers division and president of the Chicago C.L.U. chapter.

Directors nominated for two-year terms ending June 1943 are: J. M. Caffrey, John Hancock; R. J. Curry, Aetna Life; Frederick Gould, New England Mutual; G. L. Grimm, Northwestern Mutual; Earl Juers, State Mutual; Marc A. Law, National Life of Vermont; H. K. Nickell, Connecticut General; J. F. Ramsey, Home Life of New York, and C. J. Zimmerman, Connecticut Mutual.

## Minn. Ruling on Securities

ST. PAUL—Commissioner Johnson has been advised by E. J. Devitt, assistant attorney-general, that he may require that securities deposited with him by insurance companies be in such form that the commissioner may immediately resort to them if necessary. Mr. Devitt said the department may require that bonds be registered in the name of the commissioner and that mortgages and other securities be assigned to the commissioner.

## Report Canada Government Entering Group Field

TORONTO—The annuity department of the Canadian government has entered the group insurance field, a move which is the cause of concern to life companies operating in the Dominion. This step was reported by A. Gordon Nairn, field supervisor of the Life Underwriters Association of Canada.

It has been claimed by insurance men for some time the Canadian government's annuity department has not been selling annuities on a cost basis, and that this department has been costing taxpayers large sums annually.

The underwriting basis for group insurance has not been disclosed.

## N. Y. Life Wins on Suicide Issue

The United States Supreme Court this week denied certiorari in the case of Bowen vs. New York Life whereunder the beneficiary sought to establish that the situs of the policy was Missouri and that hence the very liberal Missouri suicide statute was applicable. New York Life won the decision in the United States circuit court of appeals for the eighth circuit which held that it was an Illinois contract. The assured lived in Illinois and took out the policy

there. The beneficiary was a resident of Missouri.

## Fischer Addresses Omaha Group

Life insurance in Europe since the start of the present conflict was discussed by Chester O. Fischer, vice president of Massachusetts Mutual Life, at a joint luncheon meeting of the Omaha underwriters and chamber of commerce. He also reviewed the history of American life insurance, during and following wars.

Mr. Fischer urged that management be allowed to continue unhampered by laws detrimental to sound investment.

He said that even if dividends should ever be totally discontinued, which is not likely, the protection would be worth the cost.

He called excessive premium taxes discriminatory levy on thrift.

Mr. Fischer spoke at a meeting of the Omaha general agents and managers in the evening. He addressed a luncheon meeting of leading business men in Lincoln on May 21, and visited agencies in Des Moines, Omaha and Lincoln.

R. E. Simpkin, assistant superintendent of agencies of Connecticut Mutual Life, is in Cincinnati for a series of conferences with the W. T. Earls agency.



## Miss Smith— this is my last bulletin!

"Dear Men—Today I am retiring as General Agent of the GUARANTEE MUTUAL LIFE COMPANY. It is with regret that I terminate a pleasant association of almost 15 years, during which I have served as 'just plain agent' and in later years as general agent. Thanks, to all of you, for your cooperation and many courtesies.

"As you know, I am able to retire as a result of the Guarantee Mutual's INCOME CONTINUANCE PLAN. That plan is also a part of your contracts, just as is the 'doubled up' renewals provision. In this connection, may I urge your full appreciation of these very liberal contract features, and of your opportunity to build a retirement income for your later years—as I have done—by means of Guarantee Mutual's INCOME CONTINUANCE PLAN.

"So long, fellows, and I'll try to write you often from—well, wherever I am!"

Write A. B. Olson, Agency Vice President, for details of our "BUILDERS of MEN" Agency Plan.

# GUARANTEE MUTUAL LIFE CO.

OMAHA, NEBRASKA

Organized 1901



## Wisconsin Record for 1940 Is Given

Figures from the Wisconsin department show that Prudential led all other companies in the state in the amount of business written in 1940 with a total of \$48,998,374. Closely following was Metropolitan Life with \$48,817,267. Northwestern Mutual stood third with \$16,980,225 and New York Life, Travelers, Aetna Life and Equitable Society followed with amounts in excess of \$12,000,000.

The table below lists the companies with the amounts written in Wisconsin in 1940 and the total insurance in force in the state at the end of the year:

	Written	In Force
Acacia Mutual...	639,350	7,468,201
Aetna Life.....	12,472,992	110,144,964
Bankers, Ia. ....	3,834,572	59,117,655
Bus. Men's Assur.	760,722	4,226,050
Centl. Life Assur.	3,822,067	45,345,721
Connecticut Gen.	767,553	4,720,347
Connecticut Mut.	1,158,735	8,373,524
Continental As...	2,939,384	17,383,282
Cuna Mutual.....	2,965,007	5,343,856
Equitable, N. Y.	12,339,451	127,992,426
Expressmen's M...	39,535	233,559
Franklin Life....	1,483,181	11,959,172
Great Northern...	1,277,439	14,259,303
Guardian Life....	1,219,551	9,761,878
John Hancock M.	4,567,205	25,221,582
Kansas City Life	1,646,293	13,392,883
Lincoln Natl....	5,872,520	36,976,637
Loyal Protective...	82,627	239,648
Lutheran Mut....	1,212,608	6,445,151
Mass. Mutual....	2,904,947	35,320,848
Mass. Protect....	232,030	2,537,393
Metropolitan ....	48,817,267	420,020,467
Mutual Benefit...	1,509,068	16,568,230
Mutual Life.....	4,752,334	95,951,566
Mutual Trust....	1,621,063	17,349,335
Natl. Guardian...	4,639,498	48,986,582
National Life, Vt.	581,649	5,435,888
New Eng. Mut....	2,156,827	46,154,142
New World Life...	4,452,525	4,045,491
New York Life...	13,642,938	208,480,188
N. American Life	1,406,458	8,390,752
N. Am. Life & C...	1,160,099	3,474,439
Northwestn. Mut.	16,980,225	343,706,722
Old Line Life...	6,501,278	61,415,976
Old Republic Cr.	710,434	684,723
Paul Revere Life	372,890	1,203,060
Penn Mutual....	2,048,441	32,170,736
Phoenix Mutual...	606,625	4,264,736
Prov. Life & A...	319,355	717,274
Provident Mutual	1,452,351	9,923,754
Prudential .....	48,998,374	481,645,303
Security Mutual...	556,582	4,589,251
State Life Fund...	287,000	2,586,770
Travelers .....	12,887,991	100,520,896
Union Labor....	2,951,565	6,652,005
United Benefit...	764,583	2,570,681
Washington Natl.	1,198,427	2,811,696
Wisconsin Life...	1,629,894	21,331,137
Wisconsin Natl...	1,986,402	26,974,061

## Neb. Puts Burden on Companies

LINCOLN, NEB. — The Nebraska department has adopted the policy, when complaints are received of payment of premiums with non-delivery of policy, of notifying the company named that it must either issue the policy or return the premium. The department assumes that the possession of company forms by the defaulting agent is with the knowledge of the company.

## Shoup Speaks in Los Angeles

LOS ANGELES—Paul Shoup, president of the Merchants & Manufacturers Association of Los Angeles, and former president of the Southern Pacific Railroad, talked before the Life Insurance Managers Association of Los Angeles on "Importance of Labor in Defense."

## Liberty Loans and Life Insurance

Francis M. Hope, vice-president and actuary of Occidental Life of California, in his recent paper before the meeting of the Pacific Coast Actuaries, offered an exhibit of life insurance production and results during the years of the former war together with a showing of Liberty Loan sales during the corresponding years. In referring to the table, Mr. Hope remarked that there was a slight slackening of new life insurance

## Lafayette Life Is Holding Annual Agency Convention

ASHEVILLE, N. C.—The annual agency convention of Lafayette Life is being held Thursday and Friday at the Grove Park Inn here.

President F. L. Alexander opened the sessions Thursday. R. G. Yeager, agency superintendent, presented the "dotted line" and life leader awards. J. W. Link, secretary-treasurer, discussed rate book and policies. James Scholefield of the Research Bureau presented three sales talks, on "Profitable Prospecting," "Improving the Selling Process," and "Stepping Up Your 'E. I.'" Mr. Yeager summarized.

On Friday leaders are scheduled to take a trip with President Alexander to Mt. Mitchell State Park for a special meeting in the afternoon. Mr. Link will conduct a round table discussion.

The company has gained \$1,000,000 of insurance in force so far this year, and is now over the \$30,000,000 mark. The company expects to have a record year in both insurance in force and new business.

Plenty of entertainment and recreation was arranged for all day Wednesday and Thursday afternoon.

## Pay \$1,005,909 to Orphans Home on Endowment

KANSAS CITY—The Sun Life of Canada office here has issued checks totaling \$1,005,909 to the Buckner Orphans Home of Dallas, Tex. This represents maturity of a 10-year endowment purchased May 15, 1931, in the same office with a check for \$759,927. Purchaser was J. G. Hardin, Burkburnett, Tex., oil man.

The payment was made in four checks, on four lives, since company limits would not permit issue of a million on a single life.

The money was given in trust as the John G. and Mary C. Hardin endowment, income from which is to be used for the current needs of the institution. J. E. Harwell, banker and broker of Burkburnett, negotiated the check in the Sun Life offices here in 1931, with John L. Boggs, Dallas insurance broker, and W. H. Butler of the local office participating in the transaction. Here to receive the checks were officials of the orphans' home.

## Invokes Retaliatory Law on Taxes

LINCOLN, NEB.—The retaliatory law is being invoked by the Nebraska department for collection of taxes from companies of other states. Returns of these companies for the last few years have been gone over and claims sent in, where the state in which the company is domiciled taxes the right to do business on some basis other than that in vogue in Nebraska, which is on net premiums. One large eastern company had to pay in excess of \$3,000.

The prospect with a "program" may be a tough nut to crack, but you can crack him with Immediate Disability

PACIFIC MUTUAL'S 5-Way Plan

\*\*\* LIFE AND RETIREMENT PLUS IMMEDIATE DISABILITY

The man who claims his insurance program is complete may be a difficult prospect for more "life" insurance. But he's approachable to the underwriter equipped to offer the Pacific Mutual 5-Way Plan. The 5-Way Plan is unique—in one package the prospect is offered not only life and retirement protection, but also immediate disability protection against sickness, accident, and loss of sight or limbs.

The Pacific Mutual 5-Way Plan gives the underwriter something new and different to offer his prospects. It will justify an interview difficult to secure with life insurance alone. It's the tool that completes his selling kit.

PACIFIC MUTUAL LIFE INSURANCE COMPANY  
HOME OFFICE, LOS ANGELES, CALIFORNIA

Complete Life Insurance Coverage

Life, Retirement, Accident, Sickness and 5-Way • Participating and Non-participating • Mortgage Insurance, Salary Savings, Juvenile Insurance, Salary Continuance, and other Special Forms.

PACIFIC MUTUAL SERVICE SINCE 1868

Year (1)	Loan (2)	Interest Percent (3)	Amount of New Life Insur. (4)	New Prem. (5)	Aver. Life Ins. p. 1,000 (6)	Assets Dec. 31 (7)	Life Ins. in Force Dec. 31 (8)
1916	No. 1	3 1/2	1,889	4,212	111.4	26.45	5,537
1917	No. 2	4	3,808	4,891	130.2	26.63	5,941
1918	No. 3	4 1/4	4,176	5,131	144.3	28.13	6,530
1919	No. 4	4 1/2	6,965	8,315	212.1	25.51	6,791
1920	Victory Loan	4 3/4	4,498	10,106	274.5	27.16	7,320

## C. L. U.

### Sees Day of Standardized Education for Agents

BUFFALO — Melburn L. Brizzle, Northwestern Mutual Life, was elected president of the Buffalo C. L. U. Chapter at the annual meeting here. He succeeds Arthur L. Beck. Vice-president is Dean H. Taylor, Equitable Society, and secretary, Stanley C. Collins, Metropolitan.

John P. Williams, American College, was guest speaker. He predicted that a new system of life insurance education soon would be set up with both companies and the college cooperating. He said standardized company courses would be set up and would be given to new agents. These would be followed by advanced company courses and then agents would begin a four-year C.L.U. training.

### Plan Chicago Cram Course

The C.L.U. cram course at Northwestern University in Chicago will be conducted June 9-11 by George L. Grimm, Northwestern Mutual, director of the C.L.U. classes there. Life men planning to take the C.L.U. examinations in June who wish to attend the cram course should register at once and pay their fee of \$1.50 per section when the class meets. Parts 1 and 2 will be considered June 9, 3 and 4 June 10, and 5 June 11. Sessions will be in room 103, Wieboldt Hall, at the N. U. downtown campus from 9 a. m. to noon and 2 p. m. to five. C.L.U. men will preside. The C.L.U. examinations will be held in the same room June 12-14.

### Hinkle Slated in Chicago

Roland D. Hinkle, assistant manager of the Reno agency of Equitable Society in Chicago, has been nominated for president of the Chicago C.L.U. chapter on a slate to be considered at the annual meeting June 11. Other nominations are: Vice-president, Harry G. Walter of Stumes & Loeb, Penn Mutual; secretary-treasurer, Clarence E. Smith, special agent of Hobart & Oates, Northwestern Mutual; for new directors, George H. Gruendel, supervisor Vermillion agency, Mutual Life of New York; E. S. Hewitt, of E. S. Hewitt & Associates, and D. R. Wright, Union Central. Harland H. Allen, Harland Allen Associates, will be the speaker. The nominating committee was headed by B. H. Groves, manager of Travelers.

### Plan Fort Wayne C. L. U. Class

The Fort Wayne, Ind., C. L. U. chapter plans to form a new class next September for examinations in June, 1942. Clyde Peirce of south side high school will conduct the class. Virgil Sams of Indianapolis was principal speaker at the May meeting. A picnic will be held June 12.

## RECORDS

**Pilot Life**—Insurance in force now stands at \$150,500,501, a gain for this year through April of \$3,858,454, 46 percent more than last year. The increase for April was \$1,536,244.

**Occidental Life, California**—The new paid-for life insurance since the first of the year was \$25,396,812, an increase of more than 7½ percent. Life insurance in force increased nearly \$11,000,000 to a new total of \$530,318,269. Admitted assets increased almost \$1,000,000 to \$74,304,413.

**Equitable Life, Iowa**—Reports net gain of 9.7 percent in new paid business for the first four months. New business for that period totaled \$18,296,766, a gain of \$1,620,942 over 1940. April production was \$4,128,143. Insurance

in force was increased by more than \$893,000 in the four months to a new high mark in excess of \$602,000,000.

**Illinois Bankers Life**—New business for May is running 150 percent ahead of last year. The year to date is 165 percent ahead of 1940.

## LEGISLATION

### Peterson Farm Purchase Bill Passed in Nebraska

LINCOLN, NEB.—The legislature has passed the Peterson cooperative association bill, making it easier for persons desiring to become owners of farm lands to purchase them on a 40 year payment plan, and also providing a market for lands held unwillingly by insurance companies, trust companies, land banks and mortgage banks. The measure was sponsored by C. P. Peterson, general counsel Bankers Life of Nebraska, who is a legislator.

The bill specifically provides that the securities these cooperatives are authorized to issue shall be lawful investments for insurance companies to the full amount of the purchase price. Payments will amount to \$47.82 per year per \$1,000, or 4.78 percent interest while the work of amortization goes on. Cooperatives are authorized to make contracts with the federal or state government for effectuating the purposes of the association. The Rehabilitation Finance Corporation has indicated that \$147,000,000 will be available for this type of rural rehabilitation work in five middle western states, including Nebraska.

Another bill passed permitting guardians to invest funds of wards in life insurance, endowment insurance or annuities when authorized by the county court upon application.

**Michigan**—A bill was passed permitting road commissions to participate in group contracts.

**Missouri**—The house appropriation committee has recommended the insurance department be allowed \$90,500 expense for burial society regulation.

**Illinois**—Reported out of committee is a bill providing that life companies cannot charge more than 4 percent interest on policy loans on sums over \$300 and not more than 4½ percent on sums less than \$300.

A "do pass" has been given a bill providing authority to assess the capital stock, including the franchise of all companies doing business in the state instead of any companies organized in Illinois. Another bill provides for a state employees' annuity and benefit fund.

### Purdue Short Course July 14-26

The Purdue short course in life underwriting will be conducted at Purdue University, Lafayette, Ind., July 14-26. The word "rural" used in the past two years has been dropped, being regarded as misleading. The course is not designed for agents operating in metropolitan areas but for all agents working in small cities, towns and rural areas. It is held in cooperation with the National Association of Life Underwriters. The following procedure is followed:

Tuition fee for the two weeks' course is \$17, or \$8.50 for one week. Students will be housed on the campus and the cost for room and board for the two weeks is \$22 or \$11 for one week.

### To Omaha for American Reserve

William C. Ulrich has been appointed manager of the home office agency of American Reserve Life at Omaha. E. A. Sparr will be assistant manager. Mr. Ulrich had been manager for the company at Watertown, Wis., and is a graduate of the University of Wisconsin. Mr. Sparr had been an agent in Milwaukee and attended Carroll College.

### Iowa War Clause Attitude Modified on Volunteers

DES MOINES—Commissioner Fischer of Iowa reports he is in favor of allowing war clauses to include those that volunteer for army, navy or air corps service but he still opposes including those that are drafted.

At present the Iowa department has accepted only a modified war clause that pertains only to those travelling or fighting in foreign countries or United States possessions. The modified rider was agreed to by the Iowa life companies and has been the only clause approved by the department.

### To Name Mo. Superintendent Soon

JEFFERSON CITY, MO.—L. P. McDaniel, Democrat, has called off his contest of the election of Governor Donnell, Republican. With the contest out of the way, it is now certain that a Republican will be named at an early date to succeed Judge Ray B. Lucas as superintendent of insurance. Judge Lucas' term will expire June 30.

### Women Conduct Quiz Program

KANSAS CITY—The "Information Please" program provided by the women's group of the Life Underwriters Association produced a few questions that had various answers, the result being in these instances a symposium on the subjects. The questions thus requiring answers from various sources were usually on matters concerning which different companies have different practices; or on subjects that had been matters of recent rulings.

In most instances, questions were answered promptly, with sometimes supplemental information by volunteers or others called on. John E. Miller, president of the General Agents & Managers Association, was the "professor." Nelle Byrd Otto, chairman of the women's group, presided.

### 1941 Pittsburgh Insurance Telephone Directory Ready

The 1941 Pittsburgh Insurance Telephone Directory has been completed and copies have been mailed to the insurance people in that city. In past years a new directory has only been published periodically but the plan now is to issue one annually in May.

The 1941 edition just mailed brings up to date the names, telephone numbers and addresses of those engaged in all phases of the insurance business in the Pittsburgh metropolitan area. Additional copies of the directory can be obtained from THE NATIONAL UNDERWRITER, 175 West Jackson boulevard, Chicago.

### F. J. Bray with White Agency

F. J. Bray has been appointed manager of the accident and health department of the E. F. White agency in Dallas. He has been in the insurance business 15 years and for many years has had charge of the casualty classes in the insurance school conducted by the Dallas Insurance Agents Association. He has appeared on the program at conventions of the National Association of Insurance Agents in educational talks.

### Hartford Underwriters Club Meets

HARTFORD—The Hartford Home Office Life Underwriters Club held its spring meeting this week under the direction of Chairman Earle P. Parmelee, Connecticut General, and Vice-chairman C. F. Harris, State Mutual.

F. O. H. Williams, general agent Connecticut General Life, spoke. Company practices on war and aviation risks in connection with the air pilot training program were discussed.

**Diamond Life Bulletins** increase sales. For details write 420 E. Fourth St., Cincinnati.

## STATE MUTUAL Brokergram

No one person can be expected to know everything about life insurance. That's why we fortify our field force with specialists in the Home Office—men whose life work has been spent in mastering problems of taxation, inheritance, insurance law, programming, conservation, business insurance, etc.

To share generously this vast reservoir of specialized knowledge and sound experience with you, Mr. Broker, is part of our philosophy of selling. We render it cheerfully, in friendly fashion and with human understanding. You'll find your State Mutual General Agent more than willing to cooperate in submitting to us your toughest problems.

State Mutual Life Assurance Company  
of Worcester, Massachusetts

INCORPORATED 1844



Rugged as New England's Rock Bound Coast





## Record Attendance for Industrial Men

(CONTINUED FROM PAGE 3)

the vital part our agents can play in the proper molding of opinions regarding the business. It is their business as well as ours and they will not stand idly by and see their livelihood taken from them by inimical measures."

### Daniel Urges Expansion

The creation of a conference committee on education was recommended by Raymond Daniel, executive secretary, in his report. The objective would be to prepare home office employees and field men to bring better and more fully to the policyholders the principles and purposes of industrial insurance. The establishment of an emergency fund for the righteous defense and preservation of the industry from unjust attacks through inimical assaults, was also urged by Mr. Daniel. He suggested that the central office disseminate legal and legislative information which would require an additional expenditure. A definite mid-year meeting schedule would accomplish helpful results. He recommended a one day session, supplemented by one day regional meetings devoted to round table discussions. More attention to public relations was stressed. Mr. Daniel reported that the conference members have \$2,900,659,899 insurance in force divided among 14,638,718 policyholders.

### YOUNG ON DEFENSE

A comprehensive picture of the part insurance plays in national defense efforts, was outlined by C. W. Young, president Monarch Life. Life insurance aids in national defense by keeping the family going and stabilizing national economy. A great responsibility lies ahead. The insurance world is speeding up and agents who are not using today's selling techniques are going to be left behind and companies who live in the past will remain in the past.

Life and accident business is improving its merchandising techniques so as to bring to the people a full understanding of the fundamental principles involved. "We have talked too much about how big we were, and how many billions of dollars we spent, and how great our assets were. There has been altogether too much talk about performance of acts which we were duty bound to perform, and too little talk about situations, usual and unusual, which draw the public's attention to the need for our services and the way in which the privately operated companies are doing the job better and cheaper than is possible any other way. We have made a mystery out of a business whose every day transactions are the simplest, a business which is the product of constant effort of a vast army of oftentimes misunderstood men, bringing an indispensable service to the public."

### Who Should Supply Service?

In spite of general acceptance of life insurance service there is question in the minds of the public over who should supply the service, the government or private industry. "We know what our business is and what it does. We have faith in it and we are inspired by it. We must, however, see that this faith and inspiration is shared by the American people and we must remember that unless we do the job the way it should be done, other systems will attempt to supplant our own," Mr. Young declared.

Prospects have less time to discuss matters at the present time which means that sales message must be clearer, shorter and much more to the point.

The best prospects in the months ahead are those in occupational groups receiving the increased income brought about by our national defense effort. Wage earners, particularly in the skilled occupations, are most certain to be benefited by the defense program. Upon them will fall smaller tax burdens while their earning power has risen rapidly.

The life agent is doing a patriotic work when he encourages anyone to buy coverage he can afford. The insurance sold will perform the natural function of keeping the family going and at the same time help stabilize the national economy through stimulation of saving and thrift.

### Agents Warned They Must Compete with Luxuries

PITTSBURGH—Life insurance today is competing for the first time in a long time with the luxury market, Vincent B. Coffin, vice-president and superintendent of agencies for Connecticut Mutual, said at the annual party of the R. N. Waddell agency here. Mr. Coffin pointed out that many who were not prospects in the 1930's today do have a margin to put into life insurance. Because they have denied themselves for years because of economic stress they are apt to spend money they are now making. Life insurance must do a stronger selling job to get its share of that money, he said. The prospect must be made to see his need for life insurance crystal clear. The difference between being proud of the life insurance already owned and appreciating the need for more is as great as between day and night.

"Go back to the old paper and pencil days and figure out with him what his family is going to need. That is the best way I know to meet the competition of luxuries," according to Mr. Coffin.

Peter M. Fraser, executive vice-president of the company, pointed out increasing salaries for many men creates a greater number of prospects, and there is no better purchase today than a good life insurance policy.

### Special Cars from Chicago for Commissioners Meeting

Definite arrangements have now been completed for special handling of those that are leaving Chicago Sunday, June 8, for the convention of the National Association of Insurance Commissioners in Detroit. It is expected that most of those from west of Chicago will arrive in that city Sunday morning, June 8, and that they will proceed to Detroit that evening and that the Chicago group itself will desire to go to Detroit that evening.

The Twilight Limited, operated by the New York Central system, has been selected as the official train from Chicago. The New York Central has arranged several room cars on the train to take care of the conventioners. These cars will have drawing rooms and compartments. The train leaves from the LaSalle street station, Chicago, at 4:15 p. m. central standard time, June 8, and arrives at Detroit 10 p. m., eastern standard time.

Drawing rooms and compartments require a minimum of three seats and two rail tickets. The round trip rail fare from Chicago to Detroit is \$16.65 and a one way seat is \$10.05.

Those desiring reservations and information on this train may communicate with Arthur G. Smith, special deputy of the Illinois insurance department, room A-1445 Insurance Exchange building, Chicago, (telephone Wabash 9290) or Ray Martin, passenger representative, Wabash 4200, local 214.

### Ask Receiver in Kentucky

FRANKFORT, KY.—Petition for a receiver for the Kentucky assets of Fidelity Assurance Association (Fidelity Investment) of Wheeling, W. Va., was filed in circuit court here. J. W. Schneider, director of the state securities division, said Fidelity has on deposit in Kentucky securities of \$83,575 market value.

## UP TWO PLACES...

The standing of Companies on total life insurance in force on December 31, 1940 shows that this Company has moved up two places and now ranks 23rd.

Which isn't bad for a Company now in its 41st year.

*The*  
**NATIONAL LIFE AND ACCIDENT Insurance Company, Inc.**

C. A. CRAIG, Chairman of the Board  
NASHVILLE  
HOME OFFICE  
TENNESSEE  
C. R. CLEMENTS, President  
NATIONAL BLDG.

## EDITORIAL COMMENT

### State Supervision Proves Itself Again

REPORTS that the non-forfeiture committees of the National Association of Insurance Commissioners and of the New York department are well on the way to reconciling their previously opposed views on non-forfeiture reserve bases are very welcome, for the important question of changing policy reserve bases to meet the lowered interest level waits on a settlement of the nonforfeiture situation.

The news is particularly encouraging as an indication that state supervision is fully capable of adjusting itself to the exigencies of interstate business. Whatever the final recommendation that is agreed upon, it will undoubtedly be a better one than either committee would have arrived at independently. All conceivable angles will have been discussed.

This lengthy deliberative process naturally takes more time than if those

matters were decided at a central bureau at Washington but there can be no question about which method is more in the interest of the policyholders and the business as a whole. It is only necessary to see what the Securities & Exchange Commission has done to the stock markets and the investment business to see how a group of men with power, abstract ideals and an unrealistic approach can help push toward paralysis and confusion a great field of business already bludgeoned by natural economic forces.

It is worth a good deal of delay and long-drawn-out deliberation to know that the final report on nonforfeiture values will reflect the best efforts of many outstanding in life insurance rather than the dictum of some Washington bureaucrat with a formula for purifying the business overnight.

### Where the SEC Ill Wind Blew Good

NOW THAT the TNEC has said its say and it is possible to view in perspective the SEC's blitzkrieg, it can be stated conclusively what we tentatively suggested while the inquiry was in progress: that plain speaking about life insurance problems, even extremely outspoken criticism, is far less destructive than many life insurance leaders had previously believed. In fact, the SEC's hardest punches were those that had the greatest surprise value, for which much of their dramatic impact can be blamed on the fact that these matters had been so effectively hush-hushed that there had been no discussion of them in the daily or trade press and only wisps of gossip elsewhere.

From the time of the Armstrong investigation many company officials developed an ostrich complex, feeling that if a troublesome situation were assiduously kept from general discussion or publication it was as good as cured. Many felt that conditions well known to all in the life insurance business should be kept out of the insurance press, not because of a desire to conceal anything from insurance readers but for fear critics outside the business might possibly make use of it. The truth has always

been, of course, that any outside critic with his wits about him had no trouble in finding out anything he might care to know without any help from general or trade newspapers.

If all life insurance problems had been candidly aired before the SEC started its inquiry, it would have been possible to say of all its findings—instead of merely about most of them—that "what was new was not true and what was true was not new." A hush hush policy is always viewed by the public in its worst light, even though the reasons for concealment are perfectly legitimate. There must have been some monkey business going on, or why did they have to keep so still about it? That is the way the layman looks at it.

Thus, the life insurance business has the SEC to thank for demonstrating, first, that an unduly close-mouthed policy is not only futile but may eventually boomerang; and second, that frank discussions of troublesome situations, in fact even the most distorted and unfair criticism from clever and persistent enemies professing the purest of motives, are far less destructive than many in the life insurance business would have believed possible.

### Selectivity Has a New Meaning

In the reports of many life companies as to production one is impressed with the statistics that are often presented showing that with fewer agents production has increased. Far more attention

is being given to salesmen that are capable and willing to work. Selection has become a more pertinent and significant word in life insurance. After all it is difficult for anyone to predict whether a

new agent will be a success in life insurance or not because of the peculiarity of the business. Many believe there is no substitute for giving a man a fair trial in practice to determine whether or not he will develop into a successful agent. In the past general agents employed about anyone who made application for a rate book. There is far more caution nowadays in selecting men and the types of men. Many states are making more exacting requirements for licenses.

A number of companies that have pioneered in agency selection have adopted minimum standards of per-

formance. They have seen fit to revise their agency contracts thereby automatically helping to remove the unsuccessful. The company that desires to build up a successful agency force undoubtedly has in mind the necessity to give an agent sufficient remuneration so that he can earn enough to make a modest living in order to continue in the business. That is a big problem after all. When a new salesman starts there should be sufficient compensation to meet a minimum of living standards. Companies that are really laying stress on selection and giving agents much more careful training are reaping the reward.

## PERSONAL SIDE OF THE BUSINESS

The wedding of **William J. Williams**, agency vice-president Western & Southern Life, and Miss Helen Mary DeCourcy, daughter of Dr. Joseph L. DeCourcy and Mrs. DeCourcy, Cincinnati, at St. Francis D Salles church Monday, was a social event of Cincinnati.

**James E. Woodward**, vice-president Life of Virginia in charge of ordinary agencies, will head the group solicitation unit of the Richmond Community Fund Campaign this year.

**George F. Limback**, agency secretary West Coast Life, is observing his 35th service anniversary. The oldest employee in point of service, Mr. Limback was present at the company's organization a few months prior to the 1906 earthquake and fire in San Francisco. For some time Mr. Limback was head of the industrial department prior to its discontinuance. He has been agency secretary for 15 years.

**W. R. Spinney**, who left life insurance several years ago to engage in trust work in the banking field, has been elected assistant trust officer of the Union Title Insurance & Trust Company of San Diego, Cal. He is also trust advisor of the Title Insurance & Trust Co. of Los Angeles. He was president of the San Francisco Life Underwriters Association 1934-1935.

**George L. Hunt**, vice-president New England Mutual Life, has been elected a director of the Boston Better Business Bureau.

**Percy P. MacNab** of the Leon Soper agency of Phoenix Mutual Life in Los Angeles led all agents of the company in the number of applications turned in during the weekly producers campaign for the period ending April 28.

**C. W. Peterson**, who recently joined John Hancock Mutual Life, has returned to San Francisco after seven weeks in the group division at the home office. He is to be home office representative of the group division in northern California and will have San Francisco headquarters with General Agent L. J. Lynch in the Russ building. Before joining John Hancock, Mr. Peterson was for years San Francisco manager of Phoenix Mutual Life.

**S. L. Dodson**, purchasing agent of Great Southern Life, Houston, was in Chicago this week attending the annual convention of the National Association

of Purchasing Agents, having accompanied a party of 30 in two private cars from Houston.

**E. P. Perrine**, Los Angeles general agent of American United Life, has been elected president of the California Breakfast Club. He was the first full-time secretary of the Los Angeles Life Underwriters Association.

**Anthony Gatzert**, agency secretary General American Life, on June 11 will celebrate 30 years of continuous service to that company and its predecessors, Missouri State Life and International Life. The day following his graduation from high school, he reported for work as secretary to the actuary of International Life. One month later he was assistant to the actuary. After five years in the actuarial department he was made manager of the application and policy departments and by 1928 was the agency assistant to the vice-president. When Missouri State Life reinsured International Life in August, 1928, he worked out details of recontracting agents of International. Later he was made assistant manager of the life underwriting department in charge of non-medical. In 1933 he was recalled to the agency department and the following year was elected agency secretary.

**A. L. Cawthorne-Page**, manager of publications for Metropolitan Life's Canadian head office at Ottawa, is back at his desk after serving for several months as director of publicity for the Canadian government's war savings committee. Mr. Page was loaned to the government by Metropolitan.

**S. G. Glover**, Wichita manager of the National Life & Accident, as president of the Wichita Lions Club, was directing this week the entertainment of the 17th district convention of Lions.

**W. J. Dick, Jr.**, San Antonio, Tex., Connecticut Mutual Life agency supervisor, was married there to Miss Hester Harrison of San Antonio.

**O. D. Douglas**, San Antonio, Texas general agent Lincoln National Life and trustee of the National Association of Life Underwriters, has been appointed chairman of the committee for his district on the sale of defense savings bonds.

**W. L. Momsen**, assistant to the general agent in the C. L. McMillen agency of Northwestern Mutual Life, New

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May 30, 1941

York City, returned to the office this week after having spent a vacation at Princess Ann, Md.

**W. H. Cox**, president of Union Central Life, Cincinnati, trap shot and sportsman, was named head of the new Miami valley conservation council.

**William F. Crawford**, general agent of Equitable Life of Iowa in Chicago, has returned to his desk. He had been confined to his home for several weeks with an attack of influenza.

## DEATHS

### Reading General Agent of Provident Mutual Dies

**John H. Hartzell, Jr.**, general agent at Reading, Pa., for Provident Mutual Life, since 1937, died of a heart ailment.

Mr. Hartzell had been associated with Provident since 1918, and was one of the largest and most consistent producers, having qualified for practically every meeting of the Provident Leaders



JOHN H. HARTZELL

Club and having won membership at the Provident Round Table. He had an excellent persistency record. He became general agent when Willard K. Wise was elevated to the vice-presidency.

Mr. Hartzell was a past president of the Reading Life Underwriters Association; he had been general chairman of the Berks County Community Chest Drive, as well as general chairman of Reading's Red Cross campaign.

**Isadore Solomon**, 60, manager Metropolitan Life in Racine and Kenosha counties and past president of the local life underwriters' association, died suddenly of heart trouble at his home in Racine, Wis. He started with Metropolitan 34 years ago and was manager at Traverse City, and Pontiac, Mich., before going to Racine.

**Raymond Traut**, 41, Fond du Lac, Wis., district agent Northwestern Mutual Life and local agent, died of a heart attack at his home. He had been engaged in the local agency business for 16 years. Among those present at the funeral services were Commissioner Duell and John Hughes, assistant director of agencies of Northwestern Mutual.

### EXECUTIVE WANTED

For industrial life insurance company, which has been operating a short time and is amply financed, who has had some experience in underwriting; understanding knowledge of rates; experience or practical knowledge of office management; ability to determine costs, both of home office and production costs; sales experience, understanding the problems of production and to be able to produce; ability to handle and select employees; capacity of organization; ability to make an instructive and informative talk; a person who is economical and saves his money; age not over forty; he of course would be married, settled and of good habits. A position and salary commensurate is waiting for the right party. Replies treated confidential. Answer the above implied questions in detail as all general replies will be discarded. Address N-36, The National Underwriter, 175 W. Jackson Blvd., Chicago, Ill.



"Stop!—He doesn't carry a cent of life insurance!"

## CALLED TO SERVICE

**Paul Johnson**, agency manager Fidelity Mutual Life, Cincinnati, has been called to service as assistant supervisory cost inspector, ninth naval district, Chicago. Mr. Johnson is a lieutenant in the naval reserve, having studied at Annapolis and serving in the navy in the last war. Mr. Johnson is resigning as secretary-treasurer of the Fidelity Mutual Managers Association. He has served as treasurer of the Cincinnati Life Underwriters Association and the Cincinnati C.L.U. chapter. During his absence the office will be in charge of L. B. Perin, assistant manager.

Four valued producers of the **Bruce Parsons agency of Mutual Benefit Life** in Chicago are now in the armed service. J. C. Beechley, a second lieutenant, is on duty at San Francisco. He is a graduate of the University of Southern California. Ensign James E. Hartung is at Great Lakes Naval Training Station. He is a graduate of Northwestern University. Cliff W. Miller also a Northwestern graduate, is an ensign on the U.S.S. Neville at Portland Ore., and Robert K. Clark, Northwestern graduate, is at Fort Eustis, Va.

Eldon Johnson is engaged in defense work with the duPont company at Louisville.

**George Melvin**, agent in the Louis J. Fohr agency of Connecticut Mutual Life, Chicago, has volunteered for army duty and is stationed at Camp Custer, Mich.

**B. J. Glidewell**, an agent in the J. B. Nothhelfer agency of State Mutual Life, Chicago, has been called into the army. He is serving with the 53th field artillery, Battery B, Camp Roberts, Calif.

**C. R. Mathews, Jr.**, first lieutenant, recently promoted, has orders for duty with the military intelligence section of the army, stationed in Milwaukee. He is a son of C. R. Mathews, associate general agent of Penn Mutual Life in Kansas City and worked with his father there. Recently he has been with T.W.A. in Chicago.

**Henry Lee** of the group department of the John Hancock Mutual Life in Los Angeles has been called to active duty in the army. He is a reserve first lieutenant of infantry, and has been or-

### Paid-up \$2,500 Ordinary Policy Nets Veteran \$4,633

**Ernest Glover**, Orangeburg, S. C., agent Mutual Life of New York, delivered a check for \$2,724 to O. B. Riley of Orangeburg on a \$2,500 ordinary life policy issued in 1894. Mr. Riley, a Confederate veteran, planter and member of the state historical commission, became 98 years old a year ago and recently decided to surrender his policy for the full reserve in cash at age 96. In addition to \$2,724, Mr. Riley also has received \$1,909 in dividends, a total of \$4,633. Mr. Riley was born a year after the Mutual Life issued its first policy in 1843.

dered to the Philippines. He sails June 5.

**George N. Quigley**, Los Angeles branch manager Manufacturers Life, who is a lieutenant, junior grade, in the naval reserve, has been ordered to active duty and will report in Washington, in mid-June for assignment.

**Philip Ragon**, who has been Mr. Quigley's assistant for the last two months, will be in charge of the branch as acting manager during Mr. Quigley's absence.

### Lloyd Investigates in Cleveland

Superintendent Lloyd is in Cleveland investigating a life insurance speculation racket. The case may go to the grand jury.



AS FAITHFUL AS "OLD FAITHFUL"

## Who Buys Life Insurance and Why?

According to a recent survey 52% of the new adult life applications are made by people who do not already own life insurance.

Think of the field for selling that lies before you as an agent.

But also remember, every salesman for every conceivable type of product is hot after those dollars too. And it's tough competition. People will mortgage future earnings on alluring, easy payment plans . . . for all kinds of luxuries while they defer the duty of safeguarding their families with life insurance.

Fighting such seductive competition calls for the best you can give in brains, energy and service. Also it demands a quality product . . . at a low net cost.

On a 20 year basis Mutual Trust can show a net cost of \$3.21 per \$1,000, at age 35, based on current rates and dividend scales. And behind that cost stands a record typified by these 1940 figures: Mortality: 38% of expected. Earnings: 4% on total admitted assets. Surplus increase: 7.7%.

## MUTUAL TRUST LIFE INSURANCE COMPANY

135 S. LaSalle St.  
CHICAGO

One of 24 purely mutual, net level premium, 3% reserve companies in the United States.

## NEWS OF THE COMPANIES

### N. Y. Life Assigns Langmuir Tasks to Three Others

In connection with the retirement of Vice-president Charles H. Langmuir of New York Life, a number of changes and promotions have been made at the home office. Vice-president Griffin M. Lovelace will take over some of the work formerly done by Mr. Langmuir, particularly in connection with service to the field and education and training of agents. This function of the agency department will be expanded still further.

Dudley Dowell has been promoted to superintendent of agents with headquarters at the home office and he will assist Vice-president L. Seton Lindsay in agency work, particularly in the east.

Charles J. O'Connell has been appointed field secretary and he will take over some of the work that was done by Mr. Langmuir such as attending branch office meetings. He will also assist Mr. Lovelace in connection with the expanded educational program.

#### Dowell Moves from Pittsburgh

Mr. Dowell started with New York Life in 1921 as a clerk in Little Rock. Later he became cashier at Jackson, Miss., but returned to Little Rock in 1927 as agency organizer. Two years later he was made agency director of Montana. In 1936 he was transferred to Seattle and in 1940 was made supervisor in the Allegheny department with headquarters in Pittsburgh. In January of this year he was made inspector of agencies in that department.

Mr. O'Connell is particularly well known to New York Life agents because of the many addresses he has made at their meetings. He went with New York Life in 1904 as an office boy. A few months later he was assigned to the actuarial department where he served for 26 years. In 1930 he was transferred to the agency service bureau, where, because of his previous experience in actuarial work, he was particularly valuable to agents. He developed many of the sales aids that are used by New York Life. Later he was appointed head of the agency service bureau's educational division. He has been conducting a life insurance school for New York Life agents in New York City. In 1936 he was appointed agency assistant.

Mr. Langmuir is retiring after 48 years with New York Life. He was born in Nyack, N. Y., in 1875 and in

that same year his father joined New York Life. He started in 1893 as a clerk in the Paris office where his father was director of agencies for Europe. After five years in Paris and three in London, he returned to New York as cashier and then organizer in the old Broadway branch. In 1902 he was appointed agency director of the Columbus Circle branch and four years later was transferred to the Imperial branch in New York.

In 1907 Mr. Langmuir became agency director at Los Angeles and in 1918 supervisor. In Los Angeles, he made a record that is always referred to in awe-some tones in the New York Life organization. In 1906 the paid business of the branch was \$711,500. In 1919 it had grown to \$10,501,708. In 1920 the branch paid for \$19,012,671, the excess over allotment being greater than \$10,000,000.

In 1921 Mr. Langmuir was called to the home office as assistant superintendent of agencies. He was made superintendent of agencies in 1925, third vice-president in 1926, second vice-president in 1931 and vice-president in 1934.

### Dr. Ahlefeld Is B. M. A. Assistant Medical Director

The Business Men's Assurance has appointed C. B. Ahlefeld assistant medical director. Dr. Ahlefeld, whose home state is Ohio, received his liberal arts



DR. C. B. AHLEFELD

degree at Ohio Northern and his medical degree at the University of Cincinnati. For two years following graduation he was in the medical department of the Pennsylvania Railroad. The next seven years he served as medical director of the Security Benefit Association of Topeka, Kan., resigning in 1939 to enter private practice at West Alexandria, O. He is still an active member of the Medical Section of the National Fraternal Congress and has continued as vice-president of Security Benefit. In his new position he will devote his full time to the B. M. A. as assistant to Dr. E. F. Robinson, medical director.

### Kenneth N. Brown Named Assistant to Howe

Kenneth N. Brown has been appointed assistant to Warren F. Howe, director of sales training of Continental American Life. His task will be to teach the sales force a standardized sales procedure.

Mr. Howe has completed the first section, on prospecting of the Continental American's sales training plan, and now has the dual job of completing the remaining sections and of introducing each section as completed to the field, so

that it may be put into effective operation. In this work Mr. Brown will assist. He will travel extensively, visiting agencies.

Mr. Brown has done a good life insurance selling job. He entered the agency of his father, Kenneth R. Brown, Rochester, N. Y., in January, 1940, without previous life insurance experience. He finished 1940 a member of the President's Club and winning the vice-presidency by insuring a greater number of new lives than any other member of the club.

He placed 66½ cases between Jan. 10 and the end of the year, and was a member of the cornerstone committee and dedication committee (both in connection with contests tying in with construction of the new home office building), and the Founders Club.

### Central Life, Ill., Advances Bradford and Lehane

S. B. Bradford, who has been secretary of Central Life of Illinois since it was organized, has now been elected vice-president. Succeeding him as secretary is Leal J. Lehane, who has been assistant secretary and has been with Central Life about 12 years. Mr. Lehane performs a number of duties pertaining to accounting, actuarial and office management.

### Three Leaders Slated for Equitable Society Board

Charles R. Hook, president of the American Rolling Mill Company; Franklin Spencer Edmonds, Philadelphia lawyer, and Sterling Morton, secretary Morton Salt Co., a Chicago industrialist with wide investment interests, have been nominated by the board of Equitable Society as candidates for election as directors for a term of three years from Jan. 1, 1942. The election will be held Dec. 3.

### Dickinson Has New Field

Southland Life has appointed Andrew G. Dickinson, Jr., as supervisor of agents for the newly-created west central Texas territory. Mr. Dickinson has been agency secretary of Southland Life for about a year. Headquarters have been established at Abilene, with W. N. Crosthwaite as district manager.

### Smith Named Controller

Ralph C. Smith has been appointed controller of the West Coast Life, filling an office created by the directors earlier this year. Mr. Smith has been with the West Coast since 1939 installing a modern accounting procedure. A public accountant for more than 20 years, Mr. Smith was special state auditor of Utah in 1925-1926.

### Extend Anderson's Jurisdiction

P. M. Anderson, Shanghai general agent Occidental Life of California, has been named far eastern divisional manager with all the Orient and the Philippines under his supervision. Mr. Anderson has been visiting the home office.

### R. L. Schuppe Named Auditor

R. L. Schuppe has been appointed auditor of the General American Life. He joined General American Life in 1934 after serving five years as secretary-treasurer of a finance company. Before that he was engaged in public accounting work.

### Occidental, Cal., in D. of C.

Occidental Life of California has been licensed in the District of Columbia. It is now operating in 28 states, with additional agency offices throughout Canada, Hawaii, Alaska, Shanghai, China, and the Philippines.

### Standard Life Member in A. L. C.

Standard Life of Jackson, Miss., has been admitted into membership in the American Life Convention.

## SALES MEETS

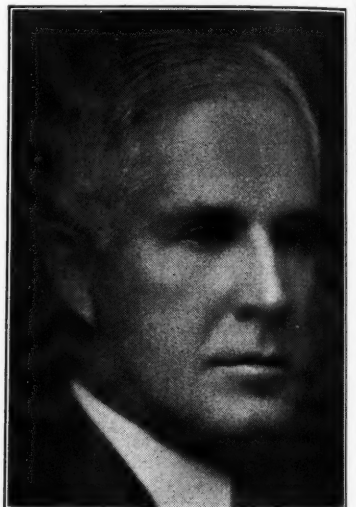
### Mass. Mutual Marks 90 Years at Meeting

A record breaking attendance is expected at the 90th anniversary convention of Massachusetts Mutual Life at Swampscott, Mass., June 1-4. Priced by an all-day Sunday session on pension trusts, for which 100 have registered, the general sessions will occupy three days following.



F. J. Van Stralen

The company's ninety years of service will be reviewed, past presidents being pictured while a narrator tells the story. President Bertrand J. Perry will describe the progress of life insurance and of the company through all of the trying periods during the past ninety years. A new selling plan for salary savings



B. J. PERRY

insurance will be announced, and the company's sales plan will be described. Dennis B. Maduro, New York tax attorney, will be featured at a pension trust clinic Monday afternoon.

Francis J. Van Stralen, co-general agent at San Francisco and president of the company's agents' association, will serve as general chairman of the convention which also celebrates the 50th anniversary of the agents' association.

### Lincoln National Has Va. Rally

Stability of insurance was stressed by speakers at a rally in Richmond, Va., of agents of the Ben Simon state agency of Lincoln National Life. Principal speakers were A. H. Hammond, superintendent of agencies, and John Marsh, Washington general agent of Lincoln National, who is president of the District of Columbia Association of Life Underwriters. R. F. Seay, district manager at Richmond, was host at the rally.

Aetna Life agents in the Wisconsin River valley attended a luncheon meeting at Wausau, Wis. A. E. Mielenz, Milwaukee general agent, was the principal speaker. Local arrangements were in charge of J. L. Oppermann, Wausau.

Glenn C. Tompkins of Canada Life's sales training and research department has been elected to the executive committee of the young men's section of the Toronto board of trade.

### Volunteer State Names Colley Agency Supervisor

Carl Y. Colley, manager Occidental Life of California at Columbus, O., has been appointed agency supervisor of the Volunteer State Life. He will assist Vice-president A. H. Blanton at the home office in agency work.

Mr. Colley was educated in the University of North Carolina and entered life insurance in 1904 after his graduation. For eight years he was North Carolina manager for the Pan American Life, building a top ranking agency as well as having a large personal production. For the last five years he has been located at Columbus, O., with the Occidental Life. He has been active in life association work.



C. Y. Colley



## AGENCY MANAGEMENT

### Selling Not Hard According to Duff

CINCINNATI—Life insurance can solve or improve any human problem, W. M. Duff, president of the E. A. Woods Agency of Equitable Society, Pittsburgh, declared in an address at a meeting of the Associated Life General Agents & Managers here. Mr. Duff said that the average agent is about as dumb a man as there is because he knows the success formula and won't follow through. What a man lacks in brains he can make up in physical work, he asserted. In the Woods agency it is insisted that the agent at the beginning of the year sit down and write out his budget requirements, preparing a production program accordingly. The average insurance man is a poor financier, he said.

Mr. Duff urged general agents to personalize their relations with their men. He has been in the kitchen or parlor of every home in the agency, and he believes in joint work with agents.

Mr. Duff stresses personal life insurance for agents and said that his own cost only \$42,000 for a total of \$83,000 protection and had a present cash value of \$54,614.

Mr. Duff said that for an expenditure of \$150 the agency bought a list of 6,000 names of persons with incomes from \$2,000 to \$50,000 in its territory and from that list secured 420 prospective agents with 15 contracts actually signed and 10 doing well.

An average man can succeed in life insurance if he has a belief in it, has two sales interviews a day, and is willing to work, he said.

Mr. Duff was introduced by G. J. Woodward, Cincinnati manager of Equitable Society. New general agents introduced were W. H. Blohm, Provident Mutual, and George Vinsonhaler, John Hancock. Other guests were R. W. Hoyer, John Hancock, Columbus, candidate for trustee of the National association, and D. A. Broadbent, home office, Manufacturers Life. In the evening, a reception was given by C. V. Anderson, Provident Mutual, for members of the legislature and the general agents.

### Ottosen Salt Lake City Speaker

SALT LAKE CITY—Acting Commissioner Ottosen addressed the Utah Life Managers Association, outlining what he deemed necessary amendments to several sections of the present insurance laws, which he said are wholly inadequate, from a department standpoint, to meet present conditions. C. R. Marcusen, president Pacific National Life, read from the Life Insurance Distribution section of THE NATIONAL UNDERWRITER the figures on life insurance payments last year. Figures on payments made in mountain states, with comparisons, proved especially interesting. President George J. Cannon reminded members that the June meeting will be the annual meeting.

### Hartford Supervisors Elect

John R. Gallagher, assistant manager Metropolitan Life, has been elected president of the Life Supervisors Association of Hartford. He succeeds L. C. Backer, Aetna Life. Other officers are: Vice-president, E. W. Tucker, Aetna Life; treasurer, B. H. Kenyon, Mutual Benefit; secretary, K. R. Bailey, Connecticut General; executive committee, Norman Smyth, National Life of Vermont; F. S. Townsend, Connecticut General, and K. R. Stremlau, New England Mutual.

### Moody Heads San Antonio Cashiers

SAN ANTONIO, TEX.—The San Antonio Cashiers Association has elected J. R. Moody, Equitable Society, president; R. T. Trammell, Lincoln National

Life, vice-president; and Ray Hermes, Jefferson Standard Life, secretary-treasurer. Meetings will be the fourth Friday of each month. Affiliation with the national association was voted.

### Pittsburgh Election June 6

PITTSBURGH, PA.—Election of officers will be held by the Agencies Committee of Pittsburgh in connection with a joint outing of the committee and the Life Insurance & Trust Council at the South Hills Country Club, June 6. The program will close with a dinner.

### Joint Outing for Twin Cities

A joint golf party and dinner will be given June 17 by the St. Paul Life Managers & General Agents Association and the Minneapolis Managers and General Agents Club at the Midland Hills club.

### Forum Discussion in Cleveland

The Cleveland Life Insurance Executives Club will meet June 3. There will be a forum discussion, with each general agent bringing in six reasons why men object to going into the insurance business.

The supervisors group will meet June 2. Its annual golf party will be held at Pine Ridge Country Club, June 16.

### Buffalo Managers Elect June 17

The Buffalo Life Managers Association will hold its golf outing June 17. Officers will be elected at that time.

## COAST

### Kavanaugh Asks for Larger Staff and Increased Budget

DENVER — Commissioner Kavanaugh has given Governor Carr a list of employee requirements as provided in the new administrative code. The department's budget calls for 16 employees, an increase of three: an associate actuary, an investigator-insurance examiner and a document clerk. Mr. Kavanaugh stated the increase was made necessary by the growth of the business the department is handling as well as the addition of mutual benefit association supervision to his department.

The department is now taking in more than \$50,000 a year in new revenues consisting of a premium tax on annuities. He asks \$45,097 to run the

department for the year, an increase over year's estimated cost of \$30,726. Receipts for the current year will exceed \$1,160,000, last year's total being \$853,356. Under the new code, the department will be directly under the governor; heretofore it was under the jurisdiction of the attorney-general.

### Arizona State Index

R. B. Rummage, director of the insurance division of the Arizona Corporation Commission, has published the index and annotation edition of the state insurance code. It contains all recent amendments and footnotes indi-

cating which sections have been amended, and the manner in which such have changed the law. It also is annotated with reference to decisions of the Arizona courts in which certain sections of the code are directly involved.

The part life insurance can play in assisting the relief client was discussed at the recent Minnesota conference of social workers in St. Paul by E. G. Eklund of the Life Insurance Adjustment Bureau, New York, speaking on "Life Insurance as a Sociological Problem."

## Progressing In The Present by Building For The Future

The Indianapolis Life Insurance Company, a Legal Reserve, Mutual Company, through its 36 years in business has proceeded on the principle of building soundly and conservatively with Quality, Service and Safety First its constant objective. This plan of building for the future has brought steady, well-rounded progress.

Likewise, Indianapolis Life fieldmen, trained to help their prospects build for the future for themselves and their families, are earning a splendid income now and building in a definite way for their own future.

The Company provides complete life insurance service including Juvenile policies from birth, Salary Savings, and all types of modern life and endowment policies.

Quality Life Underwriters are finding an attractive present and are assured a splendid future with this Company.

## INDIANAPOLIS LIFE INSURANCE CO.

Indianapolis, Indiana

INSURANCE IN FORCE NOW EXCEEDS  
\$115,000,000

Agency opportunities in Indiana, Illinois, Ohio,  
Michigan, Minnesota, Iowa, Texas and California.

EDWARD B. RAUB  
President

A. H. KAHLER  
2nd Vice-President  
Supt. of Agencies

# THE MANUFACTURERS LIFE

The business in force in the United States at the end of 1940 established a new record for the thirty-eight years during which the Company has been operating in this country. New business continued to show a consistent upward trend.

Over 28% of the new business issued by the Manufacturers Life in 1940 was on the lives of American citizens—who now own more than 20% of the total insurance in force. More than half of the Company's \$14,300,000 increase in business in force in 1940 was derived from the United States division.

INSURANCE IN FORCE, 604½ MILLION DOLLARS  
(Including Deferred Annuities)  
ASSETS, 190 MILLION DOLLARS

INSURANCE COMPANY  
HEAD OFFICE  
TORONTO, CANADA  
Established 1887

## LIFE AGENCY CHANGES

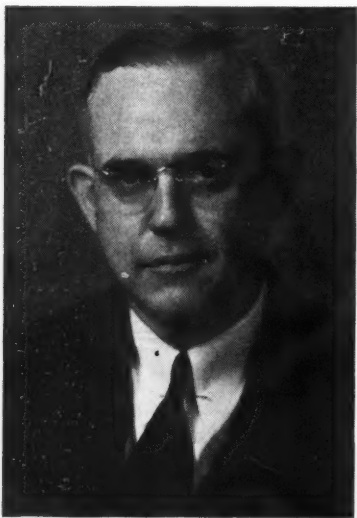
### Phillips Succeeds Roth in Portland

John J. Phillips, agency assistant of Mutual Benefit Life at the home office, has been appointed general agent at Portland, Ore., to succeed Edward K.



JOHN J. PHILLIPS

Roth, resigned. As a member of the field service staff, Mr. Phillips had been assigned to the San Francisco agency as supervisor in 1938 and for the past six months had been supervisor at Seattle. Mr. Phillips was born in Chattanooga



EDWARD K. ROTH

and attended Washington & Lee University. In 1933 he became a Mutual Benefit agent in Cincinnati and was soon appointed agency supervisor. On several occasions he was loaned to the home office to help instruct in training schools held in other agencies and in 1938 the home office took him in as a member of its field service staff.

Mr. Roth has been in the business since 1932 when he joined the company's Oklahoma agency at Tulsa. He was sent to Portland as general agent in 1936. Mr. Roth is a C.L.U. and a member of the life underwriters and life managers associations of the state. He will now devote his full time to his personal clientele.

### Sallee Made Oregon Manager

H. Lanier Sallee has been named Oregon state manager of Acacia Mutual Life with headquarters in Portland.

### Continental Makes Two Appointments

Continental Assurance has just entered Maine, and has appointed the Plummer's agency of Portland as general agent for the state. The agency has been representing the accident and health line for Continental Casualty. This makes the 28th state in which Continental Assurance is operating.

Carl H. Schusler, formerly general agent for Bankers Life of Nebraska in Pittsburgh, has been made manager of the life department of Continental Assurance at Continental's Pittsburgh branch office. Mr. Schusler, who succeeds Roland Merrill, has been in life insurance 15 years. He formerly was assistant general agent at Pittsburgh for the John Hancock, and his experience includes association with New England Mutual and Union Central.

### Beneficial Life Enters Colorado

DENVER—Beneficial Life of Salt Lake City has been licensed in Colorado, with G. H. Goodson as general agent. H. J. Syphus, assistant secretary and superintendent of agents at the home office, spent last week in Denver establishing the new agency. The company now operates in nine Pacific Coast and mountain states and is expected to enter Montana in the near future. For the last two years, it has led in ordinary production in Utah and Idaho.

Mr. Goodson has been state agent of the World of Omaha for the past three years and will continue in that capacity. He has been prominent in the Accident & Health Managers Association here. Mr. Syphus formally installed Mr.

Goodson at a luncheon attended by W. Lee Baldwin, president Security Life & Accident; W. V. Woollen, vice-president Capitol Life; Glenn McTaggart, ordinary manager Prudential; Commissioner Kavanaugh of Colorado and F. W. Bland, Pacific Coast manager THE NATIONAL UNDERWRITER.

### To Sioux Falls for Mutual Benefit

B. L. Pribble has been appointed general agent at Sioux Falls, S. D., by Mutual Benefit Life, succeeding the late Grant E. Morstad. Mr. Pribble has



B. L. PRIBBLE

been with the company in the Lexington, Ky., agency since 1923 and for four years has been production manager there.

Mr. Pribble entered life insurance

while a student at the University of Kentucky when he worked as a part-time Mutual Benefit representative. After graduation he continued with the company in a full-time capacity except for several weeks each fall during which he served as coach of the university's freshman football team. He had been a star player himself.

In his first year out of the university he paid for \$200,000 of life insurance and since has developed a large clientele in the Lexington territory. In 1937 he was appointed production manager. Mr. Pribble has been active in the Bluegrass Life Underwriters Association, which he served as president.

### Wiedemann Agency Director of Equitable in D. C.

R. F. E. Wiedemann, district manager of the Hollywood unit of the Kellogg Van Winkle agency of Equitable Society in Los Angeles, has been appointed agency director in Washington, D. C. He was installed in his new position at a luncheon attended by Vice-presidents W. J. Graham and A. B. Dalager and other home office executives. His territory covers the District of Columbia and adjoining counties in Maryland and Virginia.

D. C. Kemp, assistant agency director, has been placed in charge of the Hollywood unit temporarily until a new district manager can be named.

### Ferns Equitable Society Manager at Rochester

Thomas A. Ferns, who has been district manager at Akron, O., for Equitable Society, has now been appointed agency manager at Rochester, N. Y. He joined Equitable in 1922 in Cleveland and was later made cashier there. He subsequently entered the sales end and became assistant manager at Columbus, O., in 1929. Then he was transferred to Akron. For the last three years he has

## CONNECTICUT MUTUAL CHANGES IN FIVE CITIES



HARRIS G. LYMAN

The appointment of one new general agent and three other important general agency changes have been announced by the Connecticut Mutual.

The new general agent is Harris G. Lyman, who becomes head of the New Orleans agency, succeeding John E. Moore, who died recently. Mr. Lyman has been in life insurance for nine years and has been supervisor for several years at New Orleans.

Frank Carlucci, Toledo general agent, goes to Scranton to take over the large agency formerly headed by the late Walter S. Buck. Before taking charge of the Toledo agency four years ago, Mr. Carlucci had been supervisor and asso-



FRANK CARLUCCI

ciate general agent in the Scranton agency for seven years, and prior to that supervisor for the Aetna Life in the same territory.

Milton Sherman, Buffalo general agent, returns to his former agency in Toledo where he had been general agent from 1927 to 1937. Mr. Sherman opened up and established a new general agency in Buffalo in 1937.

Claude C. Jones, who in partnership with his brother, George K. Jones, has been a general agent at Indianapolis, now becomes general agent at Buffalo. Mr. Jones lived in Buffalo for 10 years when he was a boy. He was recently elected president of the Indiana Associa-



MILTON SHERMAN

tion of Life Underwriters and is also president of the Indianapolis General Agents & Managers Association. His transfer necessitates his resignation from these posts. He is a member of the National association's nominating committee. Mr. Jones has been in life insurance for 22 years, having been with Massachusetts Mutual five years before becoming associated with Connecticut Mutual.

George K. Jones continues as sole general agent in Indianapolis. He became general agent for the Connecticut Mutual in 1924 and in 1934 formed a partnership with his brother, Claude C. Jones.



qualified for the Group Millionaires Club.

At Rochester Mr. Ferns replaces Warren S. Parks who is retiring. Mr. Parks has headed the Rochester agency for 28 years and has been with the company 40 years.

#### Wolfe Named in Nashville

C. H. Wolfe has been appointed general agent of Commonwealth Life of Louisville at Nashville. He has been special agent at Columbia for three years.

#### Waln New Cal.-Western Manager

R. V. Waln, who has been Wyoming general agent of Minnesota Mutual, has been appointed manager of California-Western States for eastern Wyoming, with headquarter at Cheyenne.

#### NEWS BRIEFS

O. Gareau has been appointed secretary of Canada Life's branch in Ottawa. Mr. Gareau was formerly in the Montreal office. E. M. Srail has been appointed cashier of Canada Life's branch in New York. He was formerly with the Cleveland office.

Henry Michaelson has been appointed general agent of Security Mutual Life of New York at Hillside, N. J., for life, accident and health business.

M. P. Willis, who has been district agent of Pan American Life at Corpus Christi, Tex., has been appointed general agent there.

Harry R. Wenk has resigned as assistant agency manager of Equitable Society at Allentown, Pa. Mr. Wenk, who has served the company in Allentown since 1924 as agent, district manager and assistant agency manager, will devote his time to personal production.

## CHICAGO

#### VAN GOLDMAN OUTING JUNE 25

The LaSalle ordinary agency of the Prudential under Manager A. Van Goldman will hold its annual outing at Crystal Lake, June 25. E. J. Hennessy is chairman of arrangements.

#### PARSONS' OFFICE MAKES HIT

Dozens of visitors responded to the invitation to inspect the new quarters of the Bruce Parsons agency of Mutual Benefit Life on the 41st floor of 1 North LaSalle building the other day. This was not strictly an opening because the Parsons agency has been located there about three weeks, but it did mark the completion of the decorating. This office differs markedly from the ordinary life insurance agency layout. It was formerly occupied by a firm of accountants and the scheme was not changed. There is a central reception hall and aisle from which communicate the private offices.

All of the agents are installed in private offices, some doubling up. There is no bullpen. Mr. Parsons' private office is large enough to be used for agency meetings. The view from the offices is magnificent and the visitors were most enthusiastic.

#### CHICAGO SELECTION MEN ELECT

Richard Fox, Country Life, Chicago, has been elected president of the Chicago Home Office Life Underwriters. Vance Boles, Alliance Life, was chosen secretary-treasurer at the final dinner meeting of the group in Chicago.

#### CHICAGO CLUBS WINDING UP

The Life Agency Supervisors Club of Chicago, will hold its annual golf outing June 5 at Elmhurst Country Club. R. J. Curry, Aetna Life, president, appointed R. W. Frank, Wiese agency State Mutual, as arrangements chairman.

The Cashiers division of Chicago Association of Life Underwriters held its final meeting of the season this week. Zack Black, Acacia Mutual, talked on

the wages and hours law. Movies of a Mexican trip were shown by R. J. Wiese, general agent Northwestern National. Group Supervisors division will hold its final meeting of the season June 2. G. O. Brophy, group manager Metropolitan Life, division chairman, will lead a discussion of plans for next year.

## NEW YORK

#### N. Y. SALES FOR APRIL

Sales of ordinary life insurance in New York City for April were \$48,654,000 against \$50,833,000 for April, 1940, according to the estimate of the Sales Research Bureau released through the New York City Life Underwriters Association.

#### EINSTEIN & SALINGER OUTING

The Einstein & Salinger agency of Mutual Benefit Life, New York City, will have its annual outing June 27 at the Plandome Country Club, Manhasset, L. I. It will be an all day affair with golf, tennis and other sports and dinner in the evening.

#### HADLEY IN NEW QUARTERS

Nelson B. Hadley, insurance consultant, who has acted as adviser to a number of leading companies, has moved his office from 99 John street to 60 John street, New York City.

#### Ace Massachusetts Mutual Beginners at Home Office

Twenty-five field representatives of Massachusetts Mutual Life are attending the home office review school at Springfield this week. Attendance privileges are earned by new agents through completion of the preliminary training course and by production of the required volume of business.

Classroom sessions are 9 to 5 daily, with lectures by officers and department heads. All home office departments are being visited, affording the agents opportunity to observe various operations.

Lawrence E. Simon, general agent at New York, was the featured speaker Thursday.

The review school is directed by L. M. Huppeler, agency assistant. The plan was inaugurated in 1939 and schools are conducted semi-annually.

Following the school, agents attending will go to Swampscott for the company's convention.

#### Agents in Canada Expect Status as Employees

TORONTO—Indications are that life agents in Canada will be recognized as employees of life companies and not as agents, to suit the purposes of the unemployment insurance act which goes into effect July 1. Under this act, company, employee and government contribute to the fund.

The Life Underwriters Association of Canada approached Ottawa officials recently, it was learned here, requesting that instead of life agents contributing

their share to the unemployment insurance weekly they be permitted to pay their dues annually when they know the extent of their year's income. The government was said to have turned down this request.

#### Stratford Morton Outing

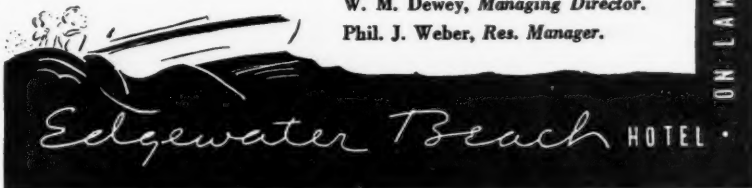
ST. LOUIS—To commemorate his 33 years with Connecticut Mutual, Stratford Lee Morton, general agent, was host at his summer home in Gray's Summit, Mo., to the members of his organization.



## HOTEL TO MORE INSURANCE CONVENTIONS THAN ANY OTHER HOTEL IN THE WORLD

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## NEWS OF LIFE ASSOCIATIONS

### Wyoming Group Elects McLean

CHEYENNE, WYO.—N. A. McLean, Prudential, Casper, was elected president of the Wyoming Association of Life Underwriters at its annual meeting here. A. S. Jessup, Penn Mutual, Cheyenne, was named first vice-president; Ben L. Chastain, Jefferson Standard, Casper, second vice-president, and G. M. Penley, New York Life, Casper, secretary-treasurer.

The Wyoming department recently ruled that in the future no non-resident agency or home office expert, group department head, or other service representative will be permitted to work with soliciting agents, Commissioner MacDonald pointed out in his talk at the annual banquet. This applies to life business only.

The only speaker at the business session in the afternoon, which opened the meeting, was Frank W. Bland, Pacific Coast manager for THE NATIONAL UNDERWRITER who discussed "Social Security in Its Relation to Life Insurance."

The principal speaker at the banquet was Frank H. Devitt, manager of the Denver agency of Capitol Life, who discussed "Today's Selling Problems." Mr. Devitt stressed the fundamental problems of insufficient exposure, inadequate prospecting and insufficient and unprepared sales presentations.

Ralph F. Taylor, manager for Mutual Life of New York at Denver, spoke on "Proper Mental Attitude in Life Insurance Selling."

Glen A. McTaggart, manager Prudential ordinary department, and C. E. Edleblute, general agent for Penn Mutual, also attended from Denver.

V. V. Van Leuven, manager of the Rocky Mountain department of the New York Life, Denver, also attended the convention, and held a sales meeting for Wyoming agents of the company while in Cheyenne.

### Wyatt Heads Northwest Texans

Don Wyatt, Franklin Life, was elected president of the Northwest Texas Association of Life Underwriters in a meeting at Amarillo. Other officers are E. R. Archambeau, Security Life & Accident, vice-president; C. L. Copeland, Southwestern Life, secretary-treasurer.

New directors are Jeff Bearden, Franklin Life; Maude Cook, Connecticut Mutual; L. L. Lloyd, Kansas City Life, and Edgar Garner, National Life & Accident.

Joe Jenkins, mayor of Amarillo, delivered an address at the meeting which was presided over by F. B. Martin, retiring president.

### Philadelphia Offers State Award

The Philadelphia Association of Life Underwriters has presented the National association a plaque to be awarded annually to the state association showing the largest increase in membership. The plaque will remain in competition for 15 years and names of the winners will be engraved on the reverse side, according to Henry H. McBratney, chairman of the committee in charge. Each year the winning association will be furnished with a replica of the award to be retained permanently.

"The Philadelphia Award" is designed to commemorate the National association's annual convention held in Philadelphia in 1940, and to promote the association movement. It will be awarded for the first time at the N.A.L.U. convention in September at Cincinnati. Philadelphians assisting Mr. McBratney on the committee are Millard R. Orr and Alfred B. Levy.

### New Association Is Organized on L. I.

NEW YORK—John C. MacVean, Metropolitan manager, Hempstead, L. I., was elected president of the Long Island branch of the New York Life Underwriters Association at the organization meeting in Garden City, L. I. About 300 attended and some 200 signed up immediately for membership.

Other officers are: J. E. Kunken, Mutual Life manager, administrative vice-president; Claude Moore, Equitable Society, Hempstead, publicity vice-president; J. J. Woods, John Hancock manager, Patchogue, secretary, and Edward J. Hughes, Metropolitan manager, Patchogue, treasurer.

### Patterson Opens Meeting

Lloyd Patterson, general agent Massachusetts Mutual Life, New York City, president of the association, opened the meeting. J. R. Sprague, Republican superintendent for Nassau county, greeted the gathering and congratulated the association for the work it has done in the community. Manuel Camps, Jr., general agent John Hancock, New York City, appeared in the capacity of regional vice-chairman and explained membership requirements, etc.

A. H. Shoeder, Penn Mutual, Hempstead, was chairman of the nominating committee and presented the slate, and P. A. Collins, Metropolitan manager, New York City, was chairman of the committee which studied the possibility of setting up the Long Island branch.

### Operate Independently

The branch will operate its meetings independently of the New York City association, and membership is made up of agents who work in Nassau and Suffolk counties. The branch membership will participate in the association's annual meeting and sales congress. Meetings will rotate in the larger cities in the two counties.

The new officers met at the association's headquarters Wednesday and studied the situation of appointing working committees immediately. The June meeting has not been definitely set but it will be held sometime in the middle of the month.

### Mitchell Renamed in S. D.

BROOKINGS, S. D.—Arthur S. Mitchell of Brookings was reelected president of the South Dakota Association of Life Underwriters at the two-day sales congress here. William Beck of Sioux Falls, Curtis Poole of Aberdeen and Gury Hanson of Mitchell were named vice-presidents and H. J. Fueling of Watertown, secretary-treasurer.

Speakers included Grant Taggart,

Cowley, Wyo., secretary of the National association; Commissioner Burt of South Dakota; H. O. Chapman, Sioux Falls, secretary-treasurer of the South Dakota association, and Phil Orchard of Sioux City, president of the Iowa association. The convention next year will be held at Watertown, some time in May.

### West Virginia Group Names Sweeney, Holds Congress

HUNTINGTON, W. VA.—Thomas Sweeney, Jr., Equitable Society, Wheeling, was elected president of the West Virginia Association of Life Underwriters at its annual convention here. C. L. McPherson, National Life of Vermont, Charleston, was named first vice-president, and J. C. Hupp, Fidelity Mutual Life, Fairmont, second vice-president. A secretary-treasurer will be appointed shortly.

Speakers at the sales congress included Representative Disney of Oklahoma; Elmer Weimer, John Hancock, Columbus, O.; R. J. Seay, director of field education, Metropolitan, and W. W. Jaeger, vice-president Bankers Life of Iowa.

At the annual dinner, a talk by C. C. Day, Pacific Mutual, Oklahoma City, and a skit, "The Trial of John Q. Agent" by the Community Players, were features. E. H. Schaeffer, Fidelity Mutual, Harrisburg, Pa., and J. P. Williams, American College of Life Underwriters, Philadelphia, spoke at the general agents and managers session. R. H. Houchin, Northwestern Mutual, was convention program chairman. Attend-

ance at the dinner was 264. The 1942 convention will be held in Wheeling.

### Plan C. L. U. Quarter Million Sessions at Wis. Convention

MILWAUKEE—Helmus Wells, Milwaukee, president Wisconsin Association of Life Underwriters, has appointed Leslie Eaton, president of the Milwaukee C.L.U. Chapter, to call a meeting of Wisconsin C.L.U.'s as well as those who have taken any of the examinations and those interested in preparing for the designation, to attend a breakfast meeting at Eau Claire June 6, during the state convention. This will be the first opportunity for holders of the C.L.U. designation in Wisconsin to get together. The Milwaukee chapter is now the only C.L.U. organization functioning in Wisconsin.

Dr. C. E. Albright, Northwestern Mutual, Milwaukee, chairman of the committee to form a Wisconsin Quarter Million Dollar Round Table at the state convention, has compiled a preliminary list of producers who qualify. There are about 20 of them. That group will meet Thursday evening, June 5, at Eau Claire. N. H. Seefurth of Chicago will speak.

### Underwood Named to Head Colorado State Association

PUEBLO, COLO.—Arthur K. Underwood, Lincoln National Life, Denver, was nominated for president of the Colorado Association of Life Under-

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writers at Pueblo at the convention here. The actual balloting is by mail. The four vice-presidencies are automatically filled by the presidents of the local associations of Denver, Pueblo, Colorado Springs and Greeley. About 200 were present, the Denver delegation having chartered a special train for the trip.

Speakers included Grant Taggart, Cowley, Wyo., National association secretary; Maj. Victor Grant, on "The American Outlook," and Commissioner Kavanaugh, who sketched briefly the history of life insurance. He also decried the efforts of "starry-eyed theorists" of the new deal clique in endeavoring to place insurance under federal control.

Jack Maguire of Pueblo conducted a "silver quiz," testing the knowledge of the members on life insurance problems.

#### Andrews Is Norfolk Speaker

NORFOLK, VA.—The part taken by life insurance in national defense was presented by W. H. Andrews, Jr., Greensboro manager of Jefferson Standard Life and a trustee of the National Association of Life Underwriters. President J. R. Weber presided and L. T. Terrell, Norfolk manager of Jefferson Standard, presented Mr. Andrews.

The speaker emphasized America's greatness as compared with other nations, and said: "While we have been pointed to as the most extravagant nation we have practiced individual saving and thrift. The record of life insurance in America over the past 100 years is a proud one."

He pointed out that insurance has encouraged individual saving, provided educations and family incomes and has helped to meet emergencies. The managements, he stressed, have cooperated "not only when called upon but have taken the initiative in many things strengthening national defense." The industry has bought, both for the companies and personal use, tremendous amounts of investment bonds.

Every agent, he declared, will "keep step" and do his part to the utmost in the national defense program.

#### California Parley June 27-28

SAN FRANCISCO — The annual meeting of the California Association of Life Underwriters will be held at Del Monte, June 27-28, with President George H. Page, California-Western States Life, Los Angeles, presiding.

An executive committee meeting will be held on June 27 in the evening with a general business session the next forenoon.

Kankakee, Ill.—Insurance Director Jones and Lieut.-Col. C. L. Fordney of the marine corps and stratosphere fame, addressed the annual dinner. Carlos C. Morrow, president, presided and Frank A. Palumbo, Mutual Life of New York, introduced the speakers. A. E. McKeough, Chicago manager Occidental Life of California and president Illinois state association, spoke briefly. The association, although only three years old, has 30 members, 10 having been added in the last year. Mr. Palumbo, past president and one of the founders, is state membership chairman.

Kalamazoo, Mich.—Ralph Richardson, Penn Mutual, is the new president; Lawrence Rolph, John Hancock, vice-president; L. M. Weir, Prudential, secretary, and H. L. Harvey, national committee-man.

Minnesota—Dr. J. O. Christianson, principal of the Minnesota School of Agriculture, will be the luncheon speaker at the annual meeting in Duluth June 13.

Florence, Ala.—New officers are: President, Lee Cathey; vice-president, C. R. Buffington; secretary-treasurer, Mrs. R. B. Turner.

Savannah, Ga.—P. F. Mullinax, manager New York Life, has been elected president. Miss Tessie A. Getts, Mutual Life, was reelected secretary-treasurer.

South Bend, Ind.—R. F. Searer, trust officer of the First Bank & Trust Company, will speak June 6 on "How Life Underwriters and Trust Men Conserve Estates."

Central Massachusetts—Rev. C. F. Hahn of Worcester spoke at final luncheon in Worcester.

New Bedford, Mass.—Paul C. Sanborn, Boston, general agent Connecticut Mutual Life, spoke.

North Texas—Officers have been elected as follows: Edwin Eikel, president; R. P. Jarrell, first vice-president, and Clyde Ford, secretary-treasurer. Directors are W. J. McGee, C. A. Gibson, W. B. Gibson and G. A. Blue. These officers are from Sherman. Vice-presidents not directors are R. W. Pinkston, Denison, and Jack Bell, Gainesville.

Cleveland—At the meeting June 9, Lieut.-Col. George A. Drew, K. C., leader of the opposition Conservative party in Ontario, will talk on "Democracy at Bay," discussing Canada's role in the present war.

The women's division will hold its annual meeting June 6.

Stillwater, Okla.—Tom B. Reed, Great Southern Life, Oklahoma City, a life and qualifying member of the Million Dollar Round Table, addressed a 100 percent turnout meeting on "Fifty Reasons How."

Topeka—Mrs. Mildred Poindexter Miller, Penn Mutual, Kansas City, gave a talk.

Raleigh, N. C.—Lloyd Williams has been elected president to succeed George McWhirter; William Beatty and Harry Williams, vice-presidents; Micou Browne, secretary-treasurer.

The group endorsed the candidacy of John Richardson of Raleigh for president of the North Carolina association.

Asheville, N. C.—Reuben J. Johnson, Durham Life, has been elected president, succeeding K. W. Partin. E. Z. Stines and E. B. Roberts are vice-presidents; George D. Sherrill, renamed secretary, and L. B. Leonard, treasurer.

Elmira, N. Y.—A. H. Neil, assistant manager eastern department Mutual Trust Life, spoke at the last meeting of the current year on work plans and conducted an open forum on prospecting. V. A. Rynders, recently appointed general agent of Mutual Trust, was in charge as president.

New Castle, Pa.—New officers are Lee J. Greer, Metropolitan, president; Thomas I. Elliott, Mutual Life of New York, vice-president; James E. McCurdy, Colonial Life, secretary, and Clarence B. Campbell, Prudential, treasurer.

Youngstown, O.—Don Michel of Cleveland spoke at the May meeting, showing sound movies of a life insurance man in action.

Wichita, Kan.—The play, "The Trial of John Q. Agent" was presented under the direction of E. V. Reed, Equitable of Iowa. The cast included Bert A. Hedges, J. H. Jones, Craig G. Kennedy, Robert Kaufman, W. H. Nicholls, Jr.; Mrs. Craig G. Kennedy, and Virginia Vertreese.

Los Angeles—Association membership totals 543, the largest in history.

Springfield, Mass.—Manuel Camps, Jr., New York general agent for John Hancock, speaks Monday on "Prospecting."

Cedar Rapids, Ia.—Edward E. Lowe, Mutual Life, was elected president. A. W. Carlton, Metropolitan, is vice-president; Lee B. Winterberg, Travelers, secretary, and George B. Healey, Union Central, treasurer. The new officers will assume their new duties July 1 after the state convention and life savings congress which will be held June 6-7.

Des Moines—The annual meeting and election of officers will be held June 20. Herbert Hedges, Equitable of Iowa, Kansas City, will be the guest speaker.

Texarkana, Ark.—J. Warren Stevens, Aetna Life, was elected president; A. E. Cross, National Life & Accident, vice-president; F. P. Robinson, National Life & Accident, secretary-treasurer; J. V. Clark, Aetna Life, national committee-man.

Cincinnati—I. T. F. Ring, general counsel of State Mutual Life, will speak on "How Tax Knowledge Can Be Used in Selling Life Insurance," June 5. The meeting will be held at 4 p. m., followed by a "good fellowship hour" and Dutch treat dinner. The election of officers will be held June 4.

Tyler, Tex.—D. G. Liggett, Southland Life manager, was elected president of the East Texas association.

#### Outing for L. F. Paret Agency

CAMDEN—The annual outing of the L. F. Paret agency of Provident Mutual Life in Camden, N. J., and Philadelphia will be held June 30-July 2 at the Buck Hill Falls Inn, Pa.

## LOOKING BACKWARD

A forward-looking organization should be pardoned for looking backward when it attains a significant birthday. **Seventy years** ago this month this company commenced business. Today it proudly realizes that it has continued to do business and to gain strength year by year, in spite of the vicissitudes, economic, political, and otherwise, that America has endured through seven decades.

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## LEGAL RESERVE FRATERNALS

### Chicago Fraternal's Funds Disappear

Alleged defalcation from St. George Fraternal, Chicago, by F. R. Carlin, supervisor in charge of the office, of an estimated \$140,000 of the approximately \$165,000 assets raises an interesting question under the "open" life insurance certificate. The Illinois department was examining the books this week while the state's attorney office conducted an international search for Carlin, armed with a warrant charging larceny. The question is whether a society whose funds are reduced at least 75 percent can be rehabilitated by special assessment.

It is probable the attorney-general will be asked to petition for a temporary receiver to permit several months' time for members to decide what they want to and can do. It is likely they will vote to continue, although their policies about one-half of which are paid up, will have to be rerated, and they will have to build values anew. If not, they must reinsure or liquidate.

#### Was Operated Conservatively

Fraternalists have been proud of their record of no failures, crediting the "open" contract. The St. George has been a sound conservative society, made up of English people. When it was rerated seven years ago, with Don F. Campbell, Chicago consulting actuary, conducting the valuations, average age of members rerating was about 50. It is on American Experience 3½ percent basis and all certificates are on an adequate rate plan.

Carlin was connected with the society four years, first in a field post. He has been actually in charge of the office for some time. The records were reported incomplete, books not posted, and when it came time for filing the 1940 annual statement additional time was sought. Assets in a tentative, incomplete report were \$186,849 ledger and \$164,932 admitted; insurance in force about \$400,000, and 1,511 members. Assets in 1939 were \$195,589 ledger and \$170,131 admitted; the re-

serves being \$155,370. The last examination was in 1938. Department examiners were preparing to conduct a new audit when Carlin's disappearance May 16 caused suspicion.

#### In Business for 50 Years

St. George Fraternal was formed in 1890, operating under permission of the secretary of state until 1898 when it was licensed. It operated only in Illinois. F. J. Tarpey is president, R. A. Parker, first vice-president; J. W. Jenkinson, secretary, and J. W. Rex, treasurer.

Carlin was inadequately bonded in Globe Indemnity. The bond, it was said, was for more than \$5,000. A difficulty is that his alleged operations extended over a period much greater than the bond has been in force.

C. V. Thompson, assistant state's attorney, stated the \$175,000 of good securities—mainly municipals—has shrunk to \$42,820 of inferior investments of actual value about \$25,000.

#### Samson Wisconsin Commander

K. S. Samson, Milwaukee, was elected commander of the Maccabees of Wisconsin at the state convention in Milwaukee. He succeeds E. B. Houtz, Milwaukee. J. M. Newman was elected lieutenant commander, and L. J. Funk, record keeper. About 100 delegates from throughout the state attended.

#### Junior Order Meets June 17

The biennial session of the national council of Junior Order United American Mechanics will be held in the Ambassador Hotel, Washington, D. C., starting June 17.

#### Juvenile Rally June 24-25

Fidelity Life of Fulton, Ill., is preparing for its 16th annual Juvenile convention at the head office June 24-25.

#### New Jersey Foresters Elect

H. A. Delaney, Jersey City, N. J., was elected grand chief ranger of the New Jersey organization of Foresters of America; Robert Schrage, Atlantic City, sub-chief ranger; W. L. J. Jobs, Hoboken, secretary; Charles Bills, Newark, treasurer.

#### May License Agents of Fraternalists in Canada

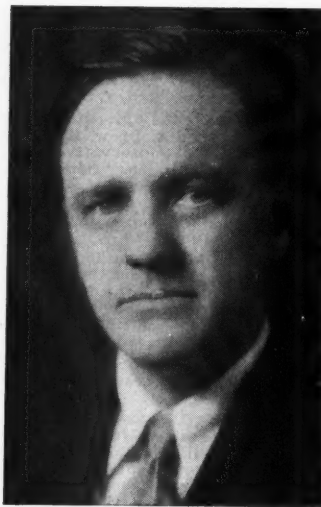
(CONTINUED FROM PAGE 6)

representation. Agents should first be qualified through an educational course, he said.

Superintendent McNairn in a talk stated that while the societies' financial position in Canada was generally good, the war situation made it imperative expenses be reduced to a minimum. He predicted a period of declining interest rates, and said it was the duty of every company to invest in Canadian war bonds at interest rates below reserve requirements.

He suggested fraternalists make their policies as attractive as possible, even to a possible reversionary bonus of mod-

### Edits Column on Insurance Medicine



DR. H. F. STARR

Dr. H. F. Starr, vice-president and medical director of Pilot Life, has been asked to edit the new department on "Insurance Medicine" in the "Southern Medicine and Surgery Journal," the publication of the Tri-State Medical Association of the Carolinas and Virginia.

Authorities will contribute articles to this department frequently. In the June issue, Dr. Harry W. Dingman, medical director and vice-president of Continental Assurance, will have an article. Dr. Starr was author of the first article, which appeared in the May issue.

Dr. Starr has served Pilot Life since 1917. He was elected medical director in 1918, vice-president and medical director in 1931, and a director in 1939.

erate amounts early in the life of a policy.

Mr. Benz, in his formal address of greeting from the American fraternalists, said life insurance constitutes an important item in national defense, for it adds to stability, reduces poverty, eases the burden on the national budget, and creates thrift which results in a strong country.

Insurance is a weapon in the current war, he said, and its value will be even more apparent at the end of the war than now. Fraternalists face the brightest era in their history. The public is com-

ing to recognize fraternalism and its insurance as a great humanitarian institution.

Frank E. Hand, chief ranger of Independent Order of Foresters, discussed progress made in social medicine services, in which he has been a prime mover in Canada. He expressed hope social medicine never will become a political football or it will be killed. The I. O. F. is the only fraternal operating in Canada which practices social medicine. Mr. Hand urged other fraternalists to adopt similar benefits for their members, and offered the services of I.O.F. and its medical staff in initiating the plan.

#### Other Speakers on Program

R. E. Morris, assistant actuary of Maccabees, outlined the new family income plan introduced by his company.

Superintendent G. D. Finlayson of the Dominion and Superintendent Georges LaFrance of Quebec were unable to attend as planned. John A. Tuck, Canadian Life Officers Association, discussed foreign exchange control; John S. Clouston, Canadian Woodmen of the World; Edward King, secretary-treasurer Hooper-Holmes Bureau, and J. D. Butkovich, president Croatian Fraternal Union, were among the speakers.

#### Fast to Union Mutual Life

Fred R. Fast has been appointed Newark manager by Union Mutual Life of Portland, Me., to succeed Joseph Schwartz, resigned. He will assume his managerial duties early next month.

A graduate of Colgate University, Mr. Fast entered insurance work upon leaving college in the Keane-Patterson agency of Massachusetts Mutual in New York. He was later transferred to the Pershing Square agency there as brokerage supervisor and in 1937 became assistant manager of Connecticut General Life. Two years later he became associated in Newark with Crandon & Stockman, pioneers in the pension trust field.



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16th Annual National  
**JUVENILE CONVENTION** of  
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...for, and by, the Society's youth

...a contribution to democracy

...a builder of goodwill

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# Sales Ideas and Suggestions

## Former Accountant Tells of Systematic Sales Success

PHILADELPHIA—W. F. Scarborough, one-time accountant and now leading producer of the New England Mutual Life at Philadelphia, outlined at the educational meeting of the Philadelphia Association of Life Underwriters, how he has been able to write over 100 lives and pay for some \$500,000 year in and year out.

Mr. Scarborough applies his accounting experience to his life insurance work, organizing his business as a corporation and "requiring daily, monthly, semi-annual and annual reports."

One of his first acts on entering the business 16 years ago was to "develop a mental attitude that would build up resistance to negative thinking that a salesman is bound to encounter." The agent must build his own mental attitude each day so as to elevate the thinking of his prospects and clients and be able to replace negative thoughts with positive thoughts and have the courage and conviction to carry men to the point where they do something constructive for their families and themselves.

### Seeks Two Apps a Week

Mr. Scarborough's working program calls for two applications a week. He uses the center of influence prospecting method. He understands corporate organization so he makes up an organization chart for departments of a company in which he is interested and gets his clients to assist him in filling in the names. He then proceeds to gradually obtain as much information as he can about each person in the organization and then to classify them so as to determine how much time to spend with each one. Classifying prospects and clients is very important in order that an agent present his services to people that can evaluate them and understand their application to a particular setup. It is extremely important to develop many clients of unusual or above average ability who will be promoted from time to time and whose earning capacity will continue to improve.

He meets on the average three new people a week and makes at least two complete presentations. He follows the two interview system. In addition, he makes many calls solely for the purpose of getting better acquainted with certain people and exposing himself to them.

### Plans Day's Work

In planning a day's work, Mr. Scarborough takes from his records the names of people to be serviced. Then he studies his prospect file and prepares the program presentations to be made during the day. Then he develops plans for obtaining information about some new prospects and also making appointments to meet them when his information is complete.

There is a certain amount of office detail that must be arranged. This is done by his secretary. "I find that it is extremely important not to be lost in too much office detail," he pointed out.

He makes calls on the average of four nights each week. He finds it extremely helpful to sit around a table with a man and his wife. It sometimes takes longer to complete the job, but when a woman once understands a program of protection properly designed for herself and her children and sees the benefits of the program tied into a retirement plan, she becomes enthusiastically sold on the idea. Dollars tagged for such a plan are congenially placed into the family budget and any sacrifice required

to keep the program in force will be justified.

Mr. Scarborough usually analyzes his previous day's work the following morning when he prepares his schedule. Notes on people called upon and interviewed are entered on his records.

He closes his books at the end of each month, and makes up a monthly report of business, income, outgo, etc. He also makes up a semi-annual report as a matter of control and comparison with previous years. The annual report is a complete statement of business operations for the year, which is compared with previous years, and which enables him to develop trends for the coming year, and to prepare a budget which is within his ability to meet, based on past performances.

### Explain Working Methods

LOS ANGELES—The success formula, see more people, plan your work, and put in a full day's work, was driven home before the Los Angeles Forum by Jack Grider, New England Mutual; A. R. Light, Equitable Society; G. S. Miller, Connecticut Mutual; F. L. Righter, Mutual Life, N. Y., and Philip von Rolf, Northwestern Mutual, in answer to questions by F. W. Pierce, program chairman.

Mr. Righter carries with him every day an up-to-date record of every one of his policyholders so he is able to give correct answer to any question they might ask him in his calls. Mr. Grider plans to get 25 names of new prospects each month. Use of the telephone gets him appointments from 95 percent. He gives an annual policyholders party, asking them to invite their friends and charging them for the party.

Mr. von Rolf makes most of his calls on regular earners who are not affected either by booms and depressions. He keeps a running file of the wives and children of policyholders and concentrates on them and finds many prospects.

Mr. Miller has set a goal of 300 clients. He takes the prospects as they come but plans when the number is complete to sift his sales to the more stable persons in order to increase repeat business.

Mr. Light presents the life insurance policy on a banking basis, showing how interest is paid on deposits but points out the many benefits and options and additional advantages of life insurance.

## Analysis Is Made of Manager's Job

(CONTINUED FROM PAGE 1)

for having developed an exceptional number of outstanding producers.

E. M. Spence, Provident Mutual Life, chairman program committee, presided at the second session, covering "Keeping Men at Work." The three leading speakers were John A. Ramsay, Connecticut Mutual Life, Newark; A. F. Haas, Mutual Life of New York, Pittsburgh, and E. T. Proctor, Nashville, Tenn. Plans and programs were discussed which had proven practical in keeping production staffs enthusiastic and interested in their work. The importance of generating zeal to achieve set goals was emphasized.

The necessity for considering agents as individuals in formulating plans for keeping men at work was stressed in Mr. Ramsay's talk. Management is

guilty of wishful thinking, lulling itself to sleep with the thought that because a man has been in the business for a certain number of years, he doesn't need a plan organized for him because he's established, Mr. Ramsay pointed out.

A five year plan to which daily, weekly, monthly and yearly plans are keyed



JOHN A. RAMSAY

is used by Mr. Ramsay in directing the activities of older men. It is necessary to correlate the long pull and short haul activities so as not to distract the men. Many times managers are guilty of trying to get the men to use quick result plans which direct them away from the track they want the men to follow to ultimate success.

### Facing Fading Future

The older agent, for the want of a definitely organized plan designed for him to meet his requirements of work habits, personality and make-up, is facing a fading future, operating in an ever decreasing circle, knowing full well that a larger and larger block of his business is falling over into the 10th year. Almost too proud to accept help and suggestions from management, he is a real challenge to management. By sympathetic understanding, a genuine interest in his problems, he can be revitalized.

The new recruit already has the long range view as he has been recruited on that basis. It is also necessary to make his plans for today as well as those for the future.

### Painless Records Needed

Agents do not like to keep records but since keeping records is necessary, the process should be as painless as possible and as interesting as possible. Keeping records on the results of each interview and call emphasize the value of time in the agent's mind which in turn keeps him at work.

In getting his men to report promptly for Monday morning meetings at nine, Mr. Ramsay has found it advisable to have the management staff meet at eight the same morning, and set an example. At meetings, men are given material or ideas to be taken into the field that week and translated into money. An attempt is made to give them one idea that clicks and follow it up later in the week with a checkup. Personal conferences are necessary supplements to meetings. An agent's problems are the most important in the world to him and he relishes the personal interest and suggestions that can only be made in a personal interview.

In selecting supervisors, it is neces-

sary to have men who know how to work and "if they don't know how to sell life insurance they don't know how to work." Supervisors are directors, helpers, trainers, secretaries, chauffeurs, confidants and advisers in the field, in their homes or in the office, available 24 hours a day, seven days a week on call at any place at any time for any kind of help, Mr. Ramsay explained. They watch, direct and control each man with sympathetic supervision without which men can't survive in the life insurance business.

### Haas and Proctor Successful

Mr. Haas has been exceptionally competent in inspiring his associates to work at the peak of their power. Ninety-eight percent of the business from Mr. Proctor's agency comes from full time men. His own average personal production during the past 10 years has been between \$500,000 and \$600,000 and he has qualified for the company's Marathon Club nine out of the past 10 years.

Charles J. Zimmerman, Connecticut Mutual Life, Chicago, wound up the session with "Charlie Zimmerman Holds His Monday Morning Session" with his audience as members of his staff. Methods were demonstrated which are responsible for the success of his agency.

### Requires Widespread Knowledge

"The training today takes into account the many economic and other problems which confront the insuring public," Mr. Zimmerman said. "It is a great step from the seller of policies of a generation ago to the life underwriter today, who must counsel on such matters as taxation, employer and employee relationships in life insurance and pension plans, social security problems, wills, trusts, estate conservation, and other economic problems in the home and in business."

The life agent has probably done more than anyone else to spread information and to educate the public on the benefits of social security as well as its limitations, in which the individual should, quite properly, carry a responsibility, he said.

"The life underwriter is and always has been an apostle of thrift, self reliance and financial independence," Mr. Zimmerman said. "Now that the government is teaching the same doctrine, life insurance can continue wholeheartedly to do its part in cooperating to the fullest extent."

At the banquet which closed the conference, Arthur Coburn, vice-president Southwestern Life, explained "What the Southwestern Life Has Learned About Agents' Compensation."

E. A. Crane, Northwestern Mutual Life, Indianapolis, and a former president of the National Association of Life Underwriters, presided at the banquet.

## Rare Claimant Holds Settlement Check 9 Months

An exception among claimants who usually waste no time in cashing checks from insurance companies has been experienced by Provident Life & Accident. The beneficiary, a woman, held uncashed the final check sent in settlement of her deceased husband's policy from June, 1940, to April, 1941. Explaining that she did not immediately cash the final draft because she remembered how her husband always looked forward to his monthly disability check, she wrote the company asking if she could still cash it. Of course, she was advised that she could.

## Many Legal Points Clarified By Life Counsel

(CONTINUED FROM PAGE 3)

Captain Keesling was unable to attend on account of a death in his wife's family and his paper was read by Secretary Bates.

### Reemployment Problems

Reemployment of employees called to service under the act presents numerous problems, Captain Keesling pointed out. No advance rulings or plans or procedure have been announced but a reemployment division has been established at national headquarters to study all phases of the act's reemployment provisions. Life companies are not only interested in the reemployment aspects so far as they apply to their employees, but those life companies which issue group and similar insurance are interested in their policyholders' employees. The selective service act provides that an employee be restored without loss of seniority and shall be entitled to participate in insurance or other benefits offered by the employer pursuant to established rules and practices relating to employees on furlough or leave of absence in effect with the employer at the time the employee was inducted into service. In discussing the subject at national headquarters, life insurance representatives have contended the employee would only be entitled to take up where he left off without time out being counted for or against him. Thus an employee would not be entitled to receive any benefits from the employer during the time he was in training and service and that at the time of restoration he would not be entitled to receive benefits during the time he is away, but would only be entitled to receive benefits accruing subsequent to his restoration.

### No Probationary Period on Group

Under such construction, Captain Keesling pointed out, if the rules of the company at the time a certain employee was inducted provided that employees who are on furlough or leave of absence would, during such furlough or leave of absence, be entitled to a portion of their pay and to have their group and other insurance maintained, the employee who was inducted would not be entitled to receive such benefits during the time he was in training and service. While it would not be necessary to maintain group and other insurance during his absence, it would apparently be necessary to reinstate such insurance upon his restoration without imposing any probationary period.

In order to give life companies as employees the idea of what employees will be selected for service, Captain Keesling analyzed the provisions for deferment on grounds of dependency. A very fair attitude is being taken in this regard and registrants are given the benefit of any doubt.

## VIEWS INDIANA LAW

In presenting an analysis of Indiana law in relation to life insurance, L. L. Bomberger, Hammond, Ind., attorney, reviewed a number of court decisions on various practices. In considering lay testimony versus expert medical evidence, Mr. Bomberger said that in matters of a technical nature, a physician may give the results of his investigation and his diagnosis of an ailment from which the subject was suffering, including the cause of death without being contradicted by lay witnesses. When giving an opinion on the duration of a disease, a physician is not testifying from scientific knowledge but it is a matter of speculation and the lay witness may contradict such testimony.

In reference to the re-tender of premiums in the event of repudiation or contest, Mr. Bomberger pointed out that while the medium of tender may be waived by failure to object to it at the time, a tender must be sufficient and must include interest. In order to avoid dispute in the evidence as to whether the

tender was actually made, Mr. Bomberger suggested that it be done under the supervision of counsel and not entrusted to agents. He cited one case where an agent made tender in the presence of numerous friends of the beneficiary and later the claimant and friends contradicted such evidence and held that it was an attempt to settle the claim and not to retender the premiums. The agent was negligent in not taking a witness with him and confirming the tender by letter. The jury held against his company.

Evidence is permissible in Indiana to show the usage and custom of insurance companies and company employees passing on applications are permitted to testify what they would have done if the facts had been truthfully stated. It is not necessary to show that the concealed ailments caused the death, but whether they were of such a nature as to put an examiner on guard for specific inquiry and examination. False representation if fraudulently made, is not necessarily a warranty and the question of materiality still remains an issue, Mr. Bomberger explained.

## U. S. Buying Much Company Acreage

(CONTINUED FROM PAGE 1)

size there is a question whether it will support a heavy mortgage debt.

The government's demand for farm lands to turn into training fields may go a considerable way toward solving the surplus crop problem, which is already being helped by the demand for extra food brought on by the war. One big sale of farm land is understood to have already been consummated, although the purchase was not from a life company but from the Scully estate of England. This land, located in Missouri, includes close to 42,000 acres and the reported purchase price was just under \$1,500,000.

One report is that farmers who are being relocated because of being moved off sections bought for defense plants or training grounds will not only be helped to buy farms but will be set up in business with loans for machinery, stock, seed and other equipment, these being made through the Farm Security Administration.

Entirely aside from the government's purchases, the farm situation is considerably improved over this time last year. Sales of foreclosed properties held by life companies are considerably in excess of property being acquired. Sales are ahead of last year despite the fact that the companies have fewer farms on their shelves.

## Map Entertainment For Commissioners

(CONTINUED FROM PAGE 2)

and later that evening there will be an informal dance.

Tuesday afternoon the visitors have a choice between horse racing and baseball where the game between Detroit and Philadelphia is scheduled.

The afternoon of June 11 baseball will again be featured and that evening the Pamunkey Tribe of Real Indians will hold their ceremonial.

The executive committee of the association is scheduled to have a session



Sunday afternoon, June 8. The entire convention group will have a session Monday morning and this is to be followed by committee meetings. There will be a general convention session that afternoon to hear an address by J. L. Isley, minister of finance of Canada and that will be followed by committee meetings.

There will be a meeting of the entire convention Tuesday morning and a brief session Tuesday afternoon followed by committee meetings. The final business session will be held Wednesday morning at which the committees will report and new officers will be elected.

There will be a number of activities for the ladies. They will be taken to lunch at the Detroit golf club Monday and that afternoon will enjoy an automobile tour. They will be guests at a breakfast style show Tuesday, will have lunch at Dearborn Inn and be guests of the Ford Motor Company at a tour that afternoon. On Wednesday they will have a luncheon at the Grosse Pointe Yacht Club. Charles C. Bowen, president of Standard Accident of Detroit, is general chairman of the local committee. D. F. Broderick of D. F. Broderick, Inc., is chairman of the entertainment committee. W. G. Curtis, president of National Casualty, is chairman of the executive committee.

## Pacific Actuaries Ponder Current Issues at Del Monte

(CONTINUED FROM PAGE 3)

and possibly should be rewritten to be simpler and more comprehensive. It was said the actual overall results under the proposed bill would not be greatly different from what is now permissible and apparently there is no real necessity for change.

There was comment that some companies are seriously considering a change to a 2½ percent basis under present day economic conditions.

Arthur Havens, Pacific Mutual Life, club president, presided.

Several actuaries who have taken active part in the meetings heretofore were unable to attend, including C. N. Torok, Metropolitan Life, who was slated to discuss agents' compensation, but is in the army; A. B. Brown, Metropolitan Life, who was in New York; A. G. Hann, Pacific Mutual, who was compelled to remain in Los Angeles because of the pending issuance of completely new rate book and policies.

### Boston Mutual Honors Leaders

BOSTON—President J. R. Benton, Boston Mutual Life, announces that the Quincy, Mass., district office under Superintendent A. H. McLellan won the honor of the greatest combined increase in new business in 1940, its fifth consecutive year. Members of the Quincy office will be given a luncheon on June 10, following which they will attend the ball game between Boston Braves and Cincinnati.

The Roslindale, Mass., district headed by Superintendent Harry Freeman has won the President's Cup for the combined increase for February and March and will be given a luncheon on June 19, followed by attendance at the Boston Red Sox vs. Detroit game.

Military Service & Life Insurance answers all your questions! 50c, National Underwriter.

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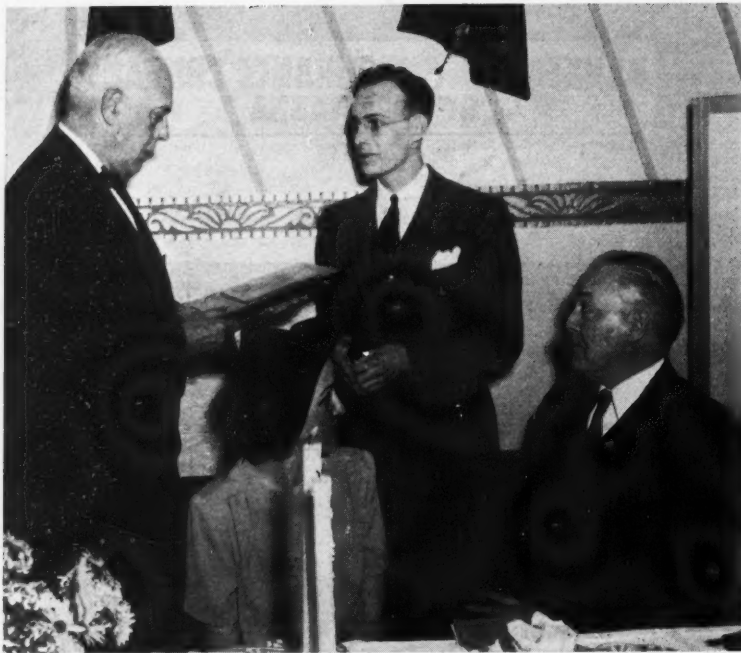


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GREENSBORO, N. C.



Fred Monley, agency secretary of Provident Life of Bismarck, N. D. (standing, right), is here presenting to Vice-president F. L. Conklin the plaque at the company's silver anniversary banquet. Seated are Mrs. Joseph Dickman, whose husband is manager of agencies, and Dr. W. H. Bodenstab, medical director.



New and retiring officers of the Southern Round Table of the Life Advertisers Association are shown inspecting exhibits at the Dallas parley. Left to right are: Powell Stamper, National Life & Accident, new vice-chairman; J. Bruce Trotter, Pan American Life, retiring chairman, and William Sexton, Great Southern Life, the new chairman.



New officers of the Pennsylvania Association of Life Underwriters: (left to right) Clifford H. Orr, Philadelphia general agent National Life of Vermont, eastern vice-president; Frank C. Wigginton, Pittsburgh general agent Bankers Life of Iowa, president; and George N. Wade, Harrisburg general agent Ohio National, central vice-president. William J. Cummins, assistant manager Woods agency, Equitable Society, Pittsburgh, the western vice-president is not shown.



Entertainment highlight at the annual gathering of the Life Advertisers Association's Southern Roundtable in Dallas was the barbecue at "Duke's Acres" with A. Morgan Duke, president Southland Life, as congenial host.



President E. P. Greenwood, Great Southern Life, and his daughter, Mrs. William Sexton, wife of the new Southern Round Table chairman, at the Life Advertisers Association gathering in Dallas.



Two of the leading general agents in Chicago are brothers—James M. Royer (left) representing the Penn Mutual Life, and Henry Royer, the Ohio National Life.